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Ontario

PARLIAMENTARY PAY ISSUES: A FRAMEWORK FOR DISCUSSION SEPTEMBER 1981

COMMISSION ON ELECTION
CONTRIBUTIONS AND EXPENSES,
8th Floor,
151 Bloor Street, West,
Toronto, Ontario.
M5S 1S4

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FOREWORD

In October, 1978, the Government of Ontario enacted legislation charging the Commission on Election Contributions and Expenses with the responsibility of reviewing and making recommendations each year with respect to the indemnities and allowances of Members of the Legislature. This responsibility was extended to Cabinet salaries in the fall of 1979.

In order to enable the members of the Commission to discharge this responsibility in a fair and informed manner, the present study was undertaken in the summer of 1980. By that time, the first two reports of the Commission with respect to salaries, allowances and indemnities of Members of the Legislature had been submitted to the Legislature and accepted by the Legislature in their entirety.

Our purpose in preparing this study was two-fold. First, to endeavour to determine the duties and demands placed on a Member of the Legislature of Ontario and second, to learn how Members of the other Legislative Assemblies across Canada were remunerated. To this end, interviews with former Members of the Legislature were conducted and resource material from a variety of jurisdictions was consulted.

Whether the responsibility of recommending pay increments for Members of the Legislature will remain with the Commission is, at this time, unclear. The study is published, however, in the hope that it will help to define the role of a parliamentarian in today's society and to focus on the advantages and disadvantages met by those who choose to fill this vital position.

Anna Stevenson

Anna B. Stevenson, Q.C.,
Research Director.

Dated: December 1st, 1981,
Toronto, Ontario.

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I

OVERVIEW

OVERVIEW

A, THE AMATEUR IN POLITICS

If, as in some of our colonies, there are scarcely any fit persons who can afford to attend to an unpaid occupation, the payment should be an indemnity for loss of time or money, not a salary... No remuneration... would attract to it those who were seriously engaged in other lucrative professions, with a prospect of succeeding in them. The business of a member of parliament would therefore become an occupation in itself; carried on, like other professions, with a view chiefly to its pecuniary returns, and under the demoralizing influences of an occupation essentially precarious. It would become an object of desire to adventurers of a low class...

J.S. Mill from his
"Considerations on Representative Government",
1861.

In pre-Confederation days, the colonial practice of remunerating legislative Members was contrary both to British practice and to influential British opinion, such as that expressed in the excerpt above. The payment of Members in England was a goal sought unsuccessfully in working class struggles of the middle nineteenth century. In the colonies of New Brunswick (1786), Upper Canada (1793) and Lower Canada (1831), statutes were enacted which paid Members a per diem "wage" for attendance at sittings of the House. The intention, however, was merely to indemnify Members for time taken up by assembly affairs. "That a

Member should be paid a salary large enough to live on apparently occurred to nobody; his living was his own affair."¹ Indeed, in Upper Canada the onus of paying Members was put on the various constituencies, each district being required to submit to a special assessment for the purpose.² This practice was actually a revival of an ancient custom which had prevailed in England in pre-Elizabethan days.³

The Canadian resolution of parliamentary pay issues has not been uninfluenced by the British ideal of the amateur in politics. The prevalent use of the term "indemnity" to describe a Member's basic remuneration in itself suggests that Members are basically ordinary citizens who have their own occupations, who give of their time to serve the interest of their communities and that their service is worth far more than whatever they may receive in their capacity as Members. Any loss incurred from their primary occupations, while Members attend the Legislature when in session, is "compensated for" by payment of an "indemnity".

The concept of a "full-time" or "professional" politician has gained wide acceptance, but has yet to

1. Norman Ward, The Canadian House of Commons (Toronto: University of Toronto Press, 1950) at 98.
2. Upper Canada Statutes, 33 Geo III, c.3; 43 Geo. III, c.11.
3. A. Todd, The Practices and Privileges of the two Houses of Parliament (Toronto, 1840) at 91.

completely usurp the ideal of the amateur politician. In 1973 the Ontario Commission on the Legislature (the Camp Commission) observed that "there lingers in Canada and Ontario a slightly unsavoury aura around the phrase a 'full-time politician' or a 'professional politician'." ⁴

SETTING THEIR OWN SALARIES

For a complete grasp of the present resolution of parliamentary pay issues, a necessary compliment to the British tradition of the amateur in politics is an appreciation of the politician's power of wage self-determination.

The position of parliamentarians in deciding the level of increase of their own salaries is awkward. It is also unique; legislators are virtually the only employed Canadians who have the power to set their own salaries. The exercise of this power makes the politician a prime target for editorial criticism and for public resentment. At the outset of any discussion of a raise in pay, Members are wary of the acid comment evoked from the media by any announced increase. The popular Toronto magazine, Grip, for example, remarked in 1979:

4. Ontario, First Report of the Ontario Commission on the Legislature (Toronto: Queen's Printer, 1974) at 13 - Camp Commission First Report

Yes, 'tis pleasant to think as I sit
in the gallery
They agree upon one thing, and that
is their salary.⁵

The American social historian, Alexis de Toqueville,⁶ noted as early as the first half of the last century a fundamental difference between the practice of American democracy and the aristocracy of other lands, including France, his own. A democracy, he noted, pays its secondary officials well, but is "parsimonious only towards its principal agents". The scale of remuneration, observed de Toqueville, was determined by people's wants. Americans lived in great comfort and sought to have their servants share in that comfort. But lacking any "distinct idea" of the needs of a high official, and envious if they did have such a distinct idea, they made salaries "diminish as the power of the recipient increased".

Although great differences in income and socio-economic status still exist, twentieth century Canada is, as compared with the American society of 150 years ago when Democracy in America first appeared, even closer to that egalitarian ideal observed by de Toqueville. Healthy skepticism toward authority, expressed in an anti-aristocratic denial of huge

5. Grip, February 15th, 1979

6. As cited in United States, The Report of the Commission on Executive, Legislative and Judicial Salaries (Washington, D.C.: 1976) at 4.

salaries to those who govern us, is as strong, if not stronger, than ever.

The historical figure of the amateur or part-time politician and the "bad press" attendant any salary boost have combined with an understandable concern on the part of parliamentarians with hopes for re-election to create the present environment in which parliamentary pay issues are often approached in terms of public reaction rather than the substantive value of legislators. One individual interviewed in the course of this study observed that: "Politicians have a diminished sense of self-worth deriving their self-image from what they suspect to be in the public mind. Rather, they should declare what they are worth and set out to show the electorate why they are deserving." (For a description of the interview process, see The Interview, p.22, infra).

B. A COMPARISON OF FEDERAL AND PROVINCIAL
PARLIAMENTARY PAY PROVISIONS

Legislators do not covet the power to set their own salaries; they would gladly assign it to someone else. This desire to remove from the political arena the decision on parliamentary pay and to provide greater protection against inflation explains much of the legislation enacted in this area over the past decade.

Before 1971, the remuneration of Canadian legislators was increased by passing the requisite bill through the legislature (which was usually an amendment to The Legislative Assembly Act and/or The Executive Council Act.) The raise was usually based on the recommendations of a committee appointed on an ad hoc basis by the House. In recent years, the high rate of inflation, combined with relatively infrequent reviews of parliamentary pay, have aggravated the politician's sensitivity to charges of self-interest and aggrandizement from the media and constituents. "This meant that governments tended to delay the legislation, thus increasing the need for more dramatic and therefore more unpopular increases."⁷ In the result, most jurisdictions have adopted some form of an automatic adjustment formula which eliminates the need for a full scale debate on every increase. The salient features of the current federal and provincial legislation are set out in Appendix A. The various mechanisms which have been adopted to increase parliamentary pay are discussed in the later section "Automatic Adjustment Formulae". (See page 47.)

The indemnities of federal and provincial legislators, together with expense allowances and salaries

7. Mr. G. Levy (ed.), Canadian Regional Review, Commonwealth Parliamentary Association, No. 1, Volume III, March 1980.

for government and parliamentary office holders, are given in Table 11. (See page 85). The indemnity and expense allowance payments usually cover a one-year period regardless of the number of parliamentary sessions or their length. Manitoba is an exception with its provision that in the unlikely event of a second or special session an Order-in-Council will authorize the payment of an additional sum, related but not necessarily equal to the normal sessional indemnity for that year. Saskatchewan is the only jurisdiction which has a separate and explicit "sessional allowance" which is paid on a sessional basis, although there is usually only one session per year.

A straight comparison of indemnity is inappropriate because it does not consider the impact of the other services and allowances afforded legislators. The scope of this study is confined to those principal payments and allowances, the review of which in Ontario is the responsibility of the Commission on Election Contributions and Expenses. Where necessary to place in perspective the analysis of particular issues, this report will make mention of additional perquisites. Other recent studies have examined in detail all other allowances and support

facilities provided Canadian legislators.⁸

The legislative role in some jurisdictions is more demanding of a Member's time and resources than it is in others. In some of the smaller legislatures less stringent demands allow Members to spend less time away from their homes and often permit them to retain other occupational responsibilities.

Table 1 is a guide to the number of days that each legislature sat in 1979. Since it was a particularly active year in terms of elections, many of the figures are somewhat smaller than normal.

C. THE ONTARIO EXPERIENCE

Ontario is the only Canadian jurisdiction which has conferred upon an independent body jurisdiction to make an annual review of the remuneration of the province's elected officials.

The idea, however, is not unique to Canada. New Zealand and a sizeable number of American states have entrusted such a review to independent bodies. In some American states -- for instance Oklahoma -- the findings of the reviewing body are binding on the Legislature. In Georgia, on the other hand, the

8. See Pay Research Bureau, Remuneration of Elected Officials 1980 (Ottawa, May 1980); Canadian Parliamentary Association, Canadian Regional Review No. 1, Volume III, March, 1980.

TABLE 1

CANADIAN LEGISLATURES

	<u>No. of Sitting Days in 1979</u>	<u>Membership of Legislature</u>	<u>December 1979 Government Members</u>	<u>Opposition Members</u>
House of Commons	94*	282	136	146
Alberta	80*	79	74	5
British Columbia	49*	57	31	26
Manitoba	83	57	33	24
Nova Scotia	79	52	31	20
Newfoundland	79*	52	33	19
New Brunswick	53	57	30	27
Ontario	119	125	58	67
Prince Edward Island	35*	32	21	10
Quebec	93	110	68	42
Saskatchewan	49	61	44	17
Yukon	40	16	11	5
Northwest Territories	28*	22	No Parties	

* Elections held in 1979

Source: Canadian Regional Review, Commonwealth Parliamentary Association, from Issue Number 1, Volume III, March, 1980.

recommendations of the State Compensation Commission must be accepted or rejected. In Idaho they are effective unless rejected. In Maryland they must be accepted or rejected in their entirety, or reduced.

By the amendment to the Legislative Assembly Act (see Appendix B) which charged the Commission on Election Contributions and Expenses with the review of parliamentary pay, it was stipulated that the recommendations of the Commission on Election Contributions and Expenses would not be binding on the Legislature. The recommendations are delivered to the Speaker and then laid before the House. It then falls to the Government to decide whether to introduce a bill which reflects the Commission's proposals. Ultimate responsibility for determining pay levels still resides with the legislators who may choose to reject the Commission's report or alter it as they see fit. The burden of voting for their own salary increases and justifying it to the press and constituents is alleviated, however, by having the Commission undertake a dispassionate assessment of what it deems to be a fair compensation scheme. The comment of one Member typifies the positive reception afforded this development by the Legislature: "Never again should we as Members

of this Assembly be faced with the unfortunate and invidious task of raising our own salaries on such a purely ad hoc basis."

The Commission on Election Contributions and Expenses is comprised of nine individuals: six political nominees (two appointed by each of Ontario's three major parties), the Chief Election Officer, a bencher of the Law Society of Upper Canada and the Chairman of the Commission, the latter two being appointed by the Lieutenant-Governor in Council. The primary function of the Commission is the administration of The Election Finances Reform Act enacted in 1975. The Government, opposed to the unnecessary creation of an additional public body, regarded the Commission with its expertise on election and party matters to be the appropriate agency to assume this new but related responsibility.

That the Ontario Legislature, unlike eight other provinces and the federal government, chose to resolve its pay issues in such a hybrid fashion -- neither enacting an automatic formula nor relying solely on the traditional mechanism of ad hoc review -- is understandable given the philosophy espoused by preliminary studies of the issue. The Ontario Commission on the Legislature (the Camp Commission)

surveyed in its first report of May, 1973 the available alternatives. The Camp Report was highly critical of proposals to index remuneration to the Consumer Price Index or industrial composite wage, or to link it to increases in the salaries of civil servants. To the suggestion that an independent commission be charged with the responsibility of on-going review, the objection was that

"it removes from the Government the initiative and, to a lesser extent, the decision-making ability in an area where it must still assume responsibility.... the decisions as to when, and by how much, Members' indemnities and expenses are to be changed ultimately belongs to the Government. It must be answerable to the public for such decisions; consequently, it must be free to make them when and how it sees fit. As unpleasant as it may be for the Government, and ultimately the Members of the Legislature, to set their own remuneration, it is still necessary under our system of responsible government." 9

Two years later in its fifth report the Camp Commission returned to the problem of an appropriate mode of pay adjustment. Though still not prepared to recommend a mechanism, the Commission now expressed a preference for the idea of regular independent review.¹⁰

It was the Morrow Select Committee, formed to

9. Camp Commission First Report, supra note 4, at 76.
10. Ontario. Fifth Report of the Ontario Commission on the Legislature (Toronto: Queen's Printer), at 19.

review the fifth and last report of the Camp Commission, which finally recommended annual adjustment of the basic indemnity and regular review of remuneration.¹¹ In the result, while nearly every other Canadian parliament had or was soon to adopt an indexation formula, Ontario stood alone in its insistence that parliamentarians themselves vote for pay increases.

To date the Commission has submitted four reports to the House. In its first report of June 14th, 1979 the consensus was that recommendations should be based on the following considerations, namely:

- (a) that the allowance and indemnities of the Legislature should not be tied to Civil Service salaries;
- (b) that non-taxable allowances would be closely scrutinized;
- (c) that the allowances and indemnities of our Legislature should be examined with a view to being compatible with those of other jurisdictions across Canada;
- (d) that reasonable additional compensation should be allowed for additional responsibilities; and finally
- (e) that, if possible, some incentive should be built into the overall system of allowances and indemnities.

Though the wording of the 1978 amendment had excluded the additional indemnities such as cabinet

11. Ontario. Final Report of the Select Committee on the Fourth and Fifth Reports of the Ontario Commission on the Legislature (Toronto:1977) at 43.

salaries from the Commission's purview, such had not been the Government's intention. When it was brought to the Government's attention in the fall of 1979, Premier Davis requested by letter that the Commission review the additional indemnities as well. (See Appendix B).

II

EFFECTIVE REPRESENTATION:

THE ROLE

OF

COMPENSATION

EFFECTIVE REPRESENTATION:
THE ROLE OF COMPENSATION

An individual's decision to offer himself as a candidate for public office is determined by a variety of motives. Some people are attracted by the idea of public service and the opportunity to influence public policy. For others, an elective office offers "something different", an escape from a present position that has become routine, if not boring. For some candidates the position is perceived as an extension of career goals and interests: Visibility and experience will be enhanced on the return to the private sector. All of these considerations -- and others as varied as the entire range of human motives -- undoubtedly influence individual decisions to answer the call to public service.

Within this complex of factors, compensation is likely to exert a significant influence. This does not mean that compensation is dominant or operates to the exclusion of other factors. It is reasonable to assume, however, that compensation will strongly condition decisions concerning public office. Although individuals may offer themselves as candidates out of a sincere desire to improve the quality of life for their constituents, they nonetheless have economic

needs and alternatives which will limit the extent of their "sacrifices". The Honourable Mr. Justice Gordon C. Hall in his review of the remuneration paid to Manitoba's elected officials observed that

"There are those in elective office who serve out of a sincere desire to improve the quality of life for all Manitobans. They like their work and are less interested in monetary considerations than in devoting themselves to public service. Laudable as that dedication is, it ought not to be taken advantage of by not providing a reasonable level of compensation."¹²

A. THREE ASPECTS OF COMPENSATION

Compensation plays a key role in standard market theory. It is evident that, by and large, individuals will accept, retain, or change jobs in response to perceived differences in current and future compensation. These earnings, in turn, will reflect differences in the relative productivity of various job holders. At any point in time, the labour market should operate through the compensation scheme to allocate individuals to positions in which they can enjoy the highest income and society can benefit from the greatest potential productivity.

This approach to the operation of labour markets is not limited to pecuniary compensation alone. It is recognized that individuals make job decisions for a

12. Manitoba. Review of Remuneration Paid to Manitoba's Elected Officials (Winnipeg, Manitoba, 1980) at 4.

variety of reasons including the nature of the job itself, the prestige associated with the position, the chances of advancement, and so on. In the context of these variables, however, compensation is a powerful determinant of job choice. Under the circumstances, the income derived from public office is bound to have a substantial impact on the elected official's standard of life and degree of economic security. There will, however, be "trade-offs" between the economic compensation derived from the position and other considerations such as prestige, the intrinsic interest of the job, and the satisfaction associated with public service.

The influence of compensation upon job choice has a future dimension. Individuals may accept a position at relatively low current compensation because they believe that the experience and training gained in performing the duties of the position will be reflected in future earnings. Standard applications of this concept are found in occupations as diverse as bricklayer and lawyer. In both cases, part of the income is effectively "on the job training" or what is called in the economic literature "investment in human capital". More directly: a person will accept a lower wage or salary if he

believes that the job will contribute to an increase in future earning power that exceeds the current foregone income.

B. THE INTERVIEW

In 1976 the Commission on Executive, Legislative and Judicial Salaries, a body established by the United States government to recommend pay adjustments every four years, commissioned a study to determine the extent to which compensation influenced executives, legislators and judges in their decisions to enter, depart or remain in government service.

Dr. Arnold R. Weber, Provost, Carnegie - Mellon University, in his survey of present and formal federal executives, judges and legislators, concluded that compensation was a significant factor in each of the key decisions: to enter, depart, and remain in high level government positions.¹³ The study was primarily focused on the executive branch of the government, the sample data for judges and legislators being more limited. For this reason, and because of differences in political culture between the United States federal government and Canadian jurisdictions, the study's conclusions may not accurately reflect the Ontario experience.

For the purposes of this report, interviews were

13. United States. Staff Report to the Commission on Executive, Legislative and Judicial Salaries (Washington, D.C.: 1977) at 5.

conducted with Ontario legislators. The participants were recruited chiefly from those parliamentarians who had left office in recent years on the basis that the objectivity and thus the credibility of the study would be enhanced if the government Members were not, in effect, sitting in judgment on their own compensation problems. It was felt that former Members would be in an excellent position to give valuable input into the determination of the guidelines and criteria to be employed in the design of a compensation scheme. They would have the advantage both of first-hand experience with the demands of public office and of objectivity, any self-interest in the matter of compensation having been diminished. The questionnaire used for the interviews is reproduced in Appendix C.

C. FINDINGS

Responses of the parliamentarians interviewed to the question of what influenced their initial decision to run for office appear to contradict the findings of the 1976 American study. Compensation was not, according to the sample of retired Ontario Members, a major consideration in the decision to enter politics. Several Members did not know what, if any, compensation was associated with the office. One individual related that he had refrained from

inquiring about remuneration fearing that it would not be proper to do so. Only two Members had considered the level of pay in making their decision and for both it had acted as a deterrent.

Care should be taken in interpreting these responses for they may not reflect the matters which aspiring politicians would consider today before offering themselves for public office, but rather the circumstances of such a decision made twenty years ago. The survey sample was comprised chiefly of individuals who began their political careers two or more decades ago -- at a time when many parliamentarians could fairly be described as "amateurs in politics". The evolution over the past few decades of the "job" of an elected official from a part-time responsibility to a full-time occupation forces the individual contemplating a career in politics to give serious consideration to the level of compensation. Although the Members interviewed replied that they were motivated primarily by a desire to serve the public, the challenging and interesting nature of the work and an opportunity to do something different, several added that were they to consider running for office in 1981, compensation would be an important influence. Interestingly enough, the Members who regarded the pay level

as a deterrent were comparatively young legislators who had been elected in the early seventies.

D. A CASE STUDY

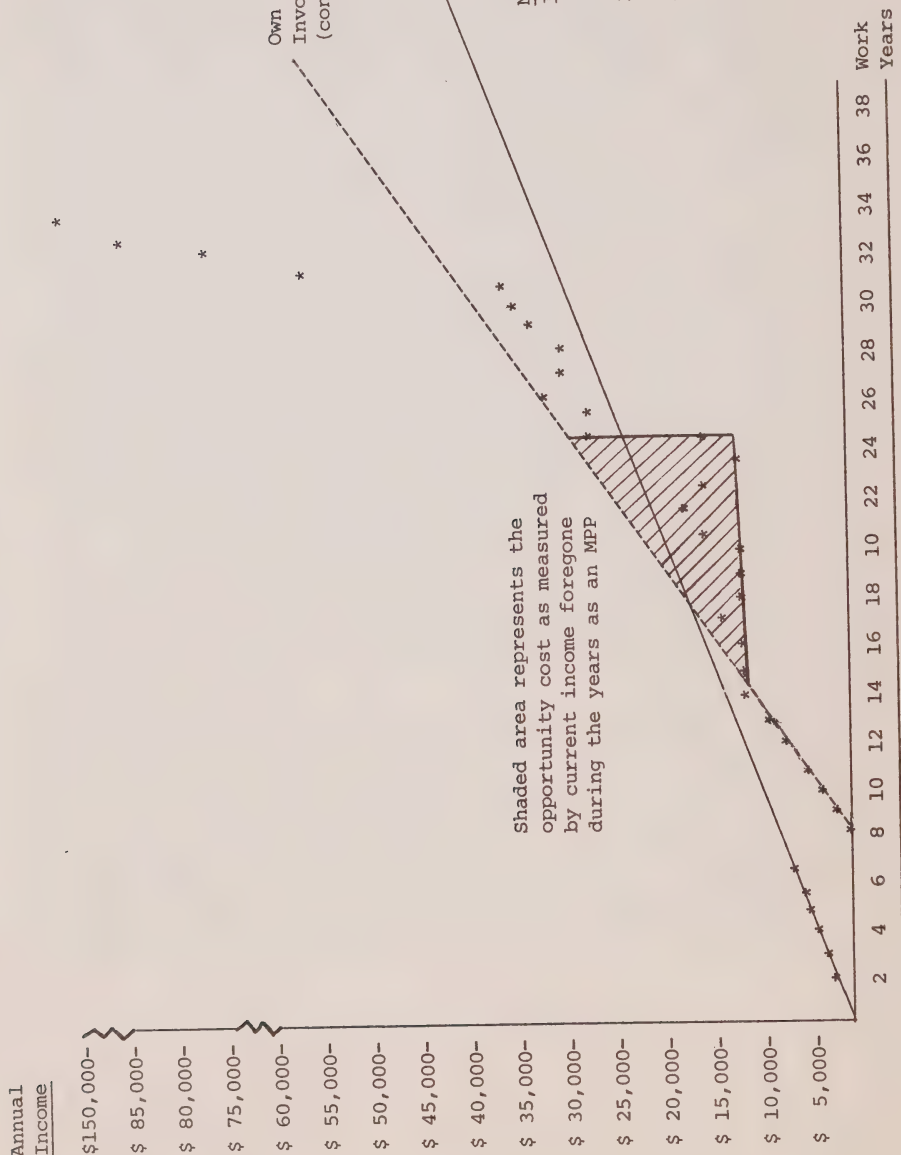
One Member interviewed had kept a summary of his annual total income for his career prior to entering politics, his years as a Member and a Cabinet Minister and his subsequent business ventures. This income series is charted in Table 2, several of the details having been altered to conceal the individual's identity.

This graph places in sharp focus the practical application of compensation theories to the career decisions of a politician. The shaded area indicates this individual's cost of holding public office, estimated by projecting his income trend as a private entrepreneur and the indemnity paid to him as a Member of the Provincial Parliament. In his case, the income foregone during the years as a Member was greatly exceeded by the increase in earning power realized in later business ventures.

This experience of a decreased annual income while in office, or at least a level of pay below that which could not be earned in the private sector, is not unique. Upon entry into politics, forty-eight percent of those interviewed experienced

TABLE 2

INCOME PATTERN OVER TIME OF AN
ONTARIO CABINET MINISTER



Shaded area represents the opportunity cost as measured by current income foregone during the years as an MPP

Own Business Trend prior to Involvement in Politics in real (constant) dollars.

Income Trend as Employee of Manufacturing Co. in real (constant) dollars.

Notes:

1. Employed after university graduation by a large manufacturing company. (Years 1-7).
2. Started own business in Year 14.
3. Elected an MPP in Year 14.
4. Income as an MPP excludes expenses.
5. Appointed to Cabinet in Year 26.
6. Retired and began own business in Year 33.
7. Income for Year 37 includes capital gain @ 50.

a drop in salary, forty-eight percent saw no change in their income and one Member's finances actually improved slightly. While in office, eighty-eight percent of those interviewed continued with another occupation, the income from which was needed to supplement their indemnity as a Member. Several Members, who had been independent businessmen or professionals, related that they had reduced the income from their primary occupation just to offset the amount of the indemnity in order to maintain a constant level of pay. While in office, sixty-two percent of the Members felt their indemnity to be inadequate.

After leaving politics, one-third of the Members interviewed enjoyed increases in annual income, several reporting significant increases such as that experienced by our representative Cabinet Minister. By themselves, these responses suggest that a Member will accept a salary below that appropriate for the "job" of a legislator in the expectation of gaining greater compensation upon a return to the private sector. Since it is unlikely that this skewed income distribution over time would hold for most parliamentarians, the adoption of this consideration in the design of a pay package would

deter from politics those individuals who are unable or unwilling to involve themselves in lucrative private sector enterprises after their time in office.

E. PARLIAMENT AS A CAREER

The number of individuals who expect to make a career out of parliament, and for whom there is no promise of a future monetary payoff, is large. In their 1972 study of the Canadian House of Commons,¹⁴ Allan Kornberg and William Mishler questioned a sampling of Members of Parliament with respect to their attitudes toward parliamentary service as a career, their motivations for remaining in parliament and their aspirations for other public office positions. Although the question "Do you expect to make a career out of parliament?" produced an abnormally high rate of non-response, over one-third of the respondents did want to make a career out of being a Member of Parliament. Approximately one of five did not, while the remainder refused to say. Among those who did respond, the Members of the New Democratic Party appeared to be most interested in the possibility of a parliamentary career than did the Members of other parties.¹⁵

The most frequently cited reason given by

14. A. Kornberg and W. Mishler, Influence in Parliament: Canada (Durham, North Carolina: Duke University Press, 1976) hereinafter referred to as Influence in Parliament.

15. Influence in Parliament, supra note 14, at 96.

former Members of the Ontario Legislature for their departure from provincial politics was related to their family life, for example, the disruption of normal family life, long separations, the loss of privacy by members of the family. Seventeen percent of the Members interviewed in the Kornberg/Mishler study responded similarly to the question "What are the kind of things, other than defeat at the polls, that make an MP like yourself think twice about remaining in parliament?" Although compensation was a factor in the decision to leave provincial government for only nine percent of the Ontario Members, the federal study reported twenty percent of their respondents cited financial concerns as a reason for voluntary retirement.¹⁶ The latter responses were structured in terms of the lack of congruence between the heavy demands of the position made upon them and the relatively low salaries they received. The higher percentage of legislators expressing concern over the level of pay in the federal study is undoubtedly due, in part, to the fact that their sample was drawn from Members holding office at the time who either said they would run again even if defeated, or who would not say whether they would or would not run.¹⁷ The Ontario sample, as noted

16. Influence in Parliament, supra note 14, at 96.

17. Influence in Parliament, supra note 14, at 96.

above, consisted of retired Members whose circumstances were often not unlike those of an "amateur in politics".

The evidence indicates that the majority of parliamentarians do not see their position as being temporary. They are not consciously or unconsciously motivated by improved prospects at the time of re-entry into the private sector. Of those interviewed during the course of this study, one-third sustained a slight decrease in earnings when they left office as they then had to rely solely on their pension. The remaining third saw no change in their financial position after leaving the political arena.

F. PARLIAMENTARY PAY AND REPRESENTATION:

The payment of Members of a legislature is closely related to representation in that assembly for the presence or absence of adequate remuneration will naturally affect the attraction which public life has for individuals belonging to various groups in the community. The absolute size of the indemnity offered, its relative size as compared with compensation realized by those in the private sector, the working conditions afforded a parliamentarian and the ease or difficulty with which the indemnity can be earned, are all factors which bear on the

representation in a legislature.

An inadequate indemnity for membership in an elected body may subject the constituency to the double risk of not attracting able men into politics, and of attracting individuals who need other sources of income, either from their own endeavours or from subsidization by outside interests. Members who rely on money from sources other than public life will naturally try to further their private ends when able to do so, most likely to the neglect of their parliamentary duties. A Member who is obliged to do this is no more independent than one who is subsidized by an interested individual or organization.¹⁸ At the same time, remuneration ought not to be too great if the danger is to be avoided of turning the office of parliament into a lucrative business and thus robbing it of much of its honour and prestige.

THE DISTRIBUTION OF POWER:

A parliamentarian's relative level of pay and its impact on representation takes on added significance in light of the interest group literature published in the past two decades. John Porter in his sociological analysis, The Vertical Mosaic,¹⁹ argued that power within Canadian society is exercised in

18. Ward, supra note 1, at 111.

19. John Porter, The Vertical Mosaic: An Analysis of Social Class and Power in Canada (Toronto, 1965).

great part by a number of small, easily defined, and frequently overlapping elite groups in the economy (corporate and labour), public bureaucracy, political system (legislature and judiciary), mass media, academic and religious communities. Of these, both the most powerful and the most important politically, are the corporate, mass media, bureaucratic and political elites.

All (particularly, the corporate elite) have certain characteristics in common: they tend to be disproportionately of Anglo-Scotch-Irish descent; they tend to be members of high-status Protestant churches; they tend to be the sons of upper and middle-class fathers; and they tend to be graduates of a small number of select private schools and Eastern Canadian universities. They tend, also, to be informally linked, both internally and across groups, by ties of kinship and friendship. More formal linkages are through common membership on commissions, boards, councils, and through career interchange.²⁰

With respect to career interchange, Porter found a close liason between the two major political parties, the Liberal and Conservative, and the corporate elite. Most frequently the lawyers in the corporate elite provide the link; they are the most likely members of the corporate elite to have overt political affiliations (equally divided between the Liberal and Conservative parties) and to have held

20. Allan Kornberg, "Parliament in Canadian Society" in Legislatures in Developmental Perspective (North Carolina, 1970) at 63.

top offices in the provincial and national party organizations.²¹

Studies which compare certain characteristics of legislators (education, occupation, social background, ethnicity, religion) with those of a cross-section of their electorate, either longitudinally or for a particular period of time, are motivated by the assumption that who legislators are affects the product generated by the system of which they are a part. Such studies have substantiated Porter's thesis in demonstrating that Canadian legislators are remarkably unrepresentative of their electorate in terms of educational attainment, primary occupation and, to a lesser extent, social background. Lawyers and businessmen, both self-employed and corporate executives, were found to be overrepresented in Kornberg's study of the 25th Parliament of the Canadian House of Commons.²² Moreover, the same studies indicate that a "status gap" exists between the candidates of the major and minor parties. A breakdown by both occupation and education of Ontario's 31st Legislature corroborates Kornberg's data. (See Table 3).

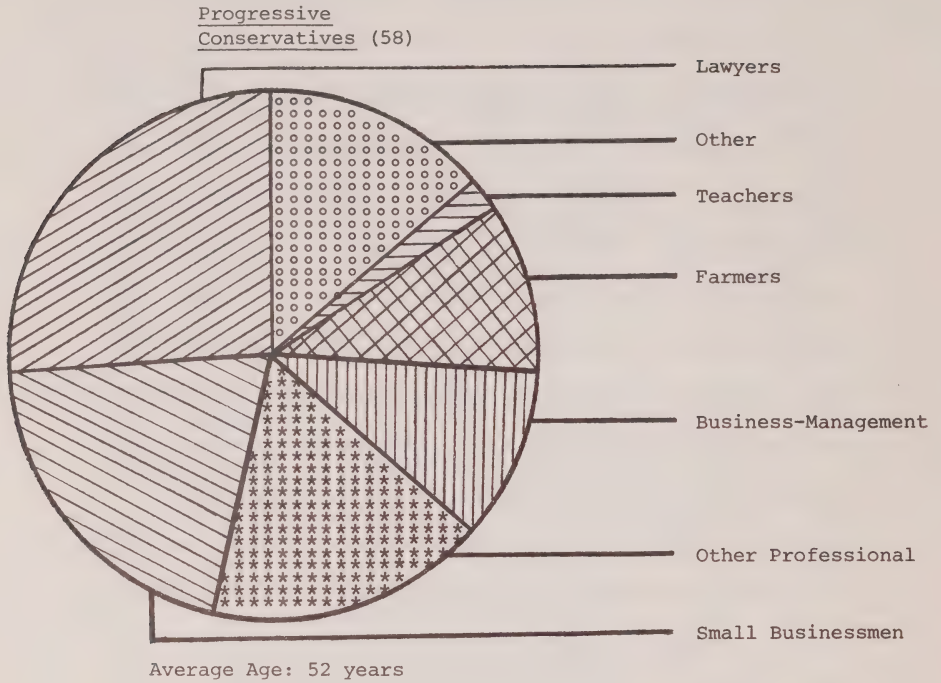
Implicit and often explicit in the writing of Porter and other scholars are three basic themes.

21. Kornberg, supra note 20, at 64.

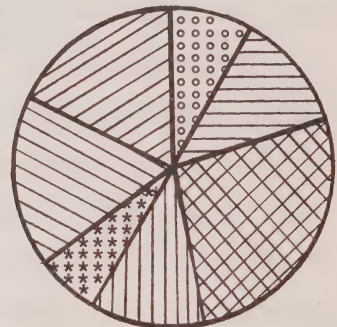
22. Allan Kornberg, Canadian Legislative Behavior (Toronto: Holt, Rinehart & Winston 1967) at 43.

TABLE 3

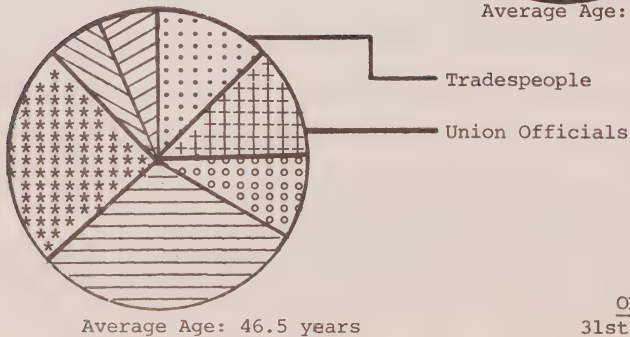
What the last lot of MPP's did...



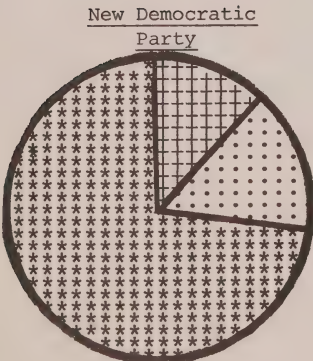
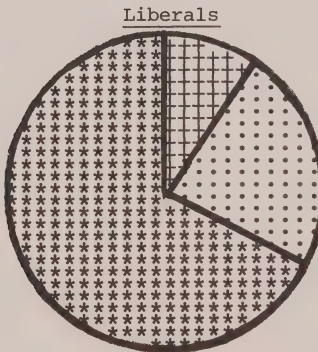
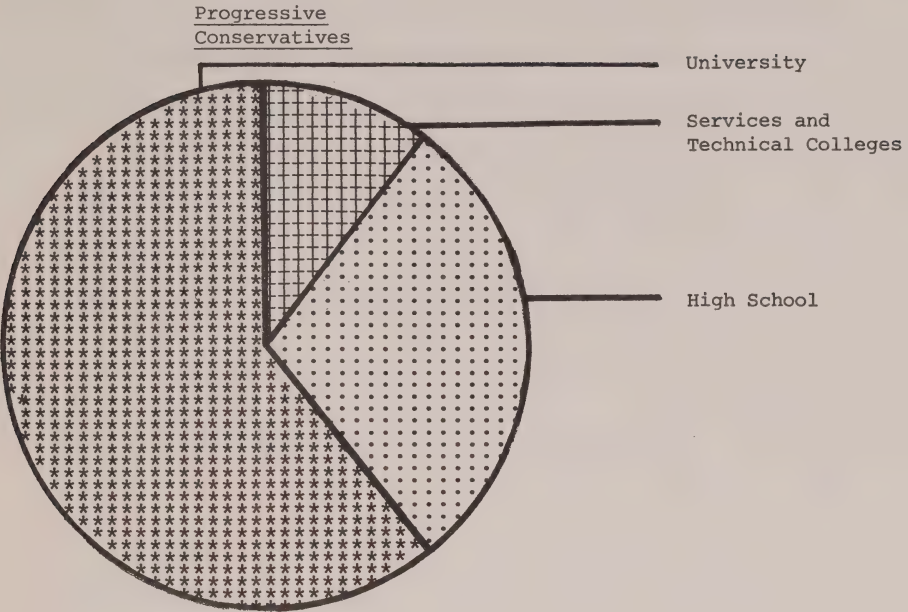
Liberals (34)



New Democratic
Party (33)



... and their education.



ONTARIO'S
31st LEGISLATURE

First, the demands that are made upon legislators, or rather those to which legislators are attentive, come almost exclusively from a very narrow segment of the population. Second, the policy decisions that legislators make disproportionately reflect the interests of this small elite. Third, the proponents of policies from outside a legislature and those who ratify and legitimate (in the form of legislation) these proposals within the legislature are frequently the same individuals even though their roles may be analytically distinct.

In answer to the question of why the Members of many democratic legislative bodies are very much an elite group, several explanations have been offered. The first is that an individual's political socialization (that is the process by which an individual acquires political values, attitudes, an interest in and a knowledge of the political community) varies strongly and directly with education, occupation and social class.²³ A second obvious explanation is that the high cost of entering and staying in public life serves as a filter through which thousands of would-be legislators are unable to pass.²⁴ Legislation in the area of election finance and parliamentary pay, therefore, can have

23. Kornberg, supra note 22, at 49.

24. Kornberg, supra note 22, at 47.

a significant impact on the make-up of our elected bodies and thereby the manner in which Canadian Legislatures respond to interest group pressure.

III

THE ISSUES:

A. SETTING THE BASE SALARY

The realization comes early to those charged with the review of parliamentary pay that they have not embarked upon a clearly-defined, objective study, but instead upon a path strewn with politics, precedents and prejudice. No empirical formula or scientific solution exists which will settle the question. The test is ultimately one of reasonableness and since reasonableness is a subjective test, varying factors must be considered.

THE PRINCIPLE OF "COMPARABILITY"

Direct pay comparisons with the private sector -- the so-called principle of "comparability" -- are usually applicable and useful in helping set pay scales and other elements of compensation for many positions in the Civil Service. Former parliamentarians were asked whether it was appropriate to compare parliamentary pay to private or public sector compensation. (See Question #15, Appendix C).

"How can you compare provincial politics and private industry? What is the measure of productivity for a politician? His only goal is to get re-elected and thus to obtain votes."

"An MPP is a jack-of-all trades. Coming out of the private sector should involve some "tinge" of financial sacrifice and altruistic

motives. There must be some relationship though and I would suggest a position in upper/middle management."

"The comparison should be made with the public sector. MPP's should be paid on a par with the senior quartile of Deputy Ministers. I feel strongly that those elected to create laws, make broad policy choices and assume responsibility for the denegation of legislation should not be paid less than the bureaucrats who are employed to implement legislation."

"An MPP is called upon to perform an extraordinary job. Comparisons with the private sector are entirely inappropriate."

There are obviously difficulties in the application of the principle of comparability to the job of a parliamentarian. One is the difficulty of finding a "comparable" position in either the public or private sector. Parliamentarians gave varied responses when asked what vocations they considered to be comparable to that of a legislator; positions as diverse as a bank teller, high school principal, Director of Education and junior vice-president of a major Canadian bank were mentioned.

If "comparable" jobs could be found, one must then decide whether a comparable salary should be paid. Is a degree of financial sacrifice to be expected of those who offer themselves for office

to acknowledge the element of public service entailed in parliamentary duties? The belief that economic sacrifice is necessary on the part of parliamentarians has roots in the British tradition of the amateur in politics. Today, however, an aristocracy of public service which expects little or no recompense for devotion to the public good hardly makes for a truly representative government.

A primary concern of the Ontario Commission on the Legislature in its resolution of the issue of financial sacrifice on the part of legislators was political acceptability. A belief held by members of the public that parliamentarians should make a financial sacrifice while in office was, for the Camp Commission, an important factor in its setting of salaries.

"This new level of income should also appeal to some who prefer their politicians to be underpaid as testimony to the need for sacrifice in public life - which, it would appear, a few still find reassuring and worthy of re-emphasis."²⁵

Financial sacrifice has also been justified on the grounds that the non-monetary rewards of being a legislator compensate for a decrease in income.²⁶ The

25. Camp Commission First Report, supra note 4, at 29.

26. United States. Staff Report to the Commission on Executive, Legislative and Judicial Salaries (Washington, Feb. 1977) at 11.

"psychic income" of a parliamentarian can take the form of prestige and the sense of doing an important job for constituents. Interview participants reacted strongly to the suggestion that a lower level of parliamentary pay was warranted on this basis. They maintained that while psychic income and the desire for public service may compensate for an initial decrease in income, it is not enough to sustain a continued erosion.

"The 'psychic income' doesn't put food on the table. The family must still be provided with economic support. There should be no financial sacrifice expected of a member because the entire family suffers and must adopt a new lifestyle."

Negative factors such as the career advancement foregone in the private sector, the burdens borne by family members and the risk not only of the loss of a job, but of undeserved public obloquy were recounted. Former Member of the Ontario Legislature and Leader of the provincial New Democratic Party, Mr. Stephen Lewis, describes the job's drawbacks:

"The dedicated politician - and most of them are dedicated - lives a life that is irrational in its demands and its intensity. Health suffers, family suffers, security suffers. I left politics because it was too often an uncivilized career. At the very least, those who choose it should receive a fair rate of pay." ²⁷

27. Stephen Lewis, "Comment" (broadcast on CKEY-Toronto, December 3rd, 1980)

To sum up, there is little justification for the expectation that Members of Parliament should make financial sacrifices while in office. A proper compensation scheme should make it possible for people of outstanding ability to devote all their time to their parliamentary career. Pay levels should be adequate to attract and motivate individuals whose standard of living depends upon current income, rather than savings or investments. Although a parliamentary career is usually prestigious and public service may be its own reward, the individuals involved nonetheless have economic needs and alternatives which will limit the extent of their sacrifices.

DEVELOPING A PAY RATIONALE

The Nova Scotia Commission of Inquiry in its report on Legislature Salaries and Allowances identified certain principles of remuneration:

- (a) that the level of remuneration be adequate to ensure that the person who is not self-employed and who has no personal financial resources other than his vocation, is not dissuaded from seeking office to serve the Province merely because of financial circumstances.
- (b) that the level of remuneration be adequate in light of the time and responsibilities involved so that the parties and their leaders, upon whom our system of parliamentary

government depends, may attract the most able persons among us to seek office and not deter the best of those elected from accepting and continuing with full-time service in Government.

- (c) that the level of remuneration ensure that Members and Ministers are supported in a manner that does not impose unfair financial sacrifice upon them or their families, particularly for persons in their prime earning years when families and other obligations are likely to be heaviest.²⁸

These three guidelines were subsequently endorsed by commissions in British Columbia²⁹ and in Prince Edward Island.³⁰

The federal Balcer-McIsaac Commission in its 1980 Report attempted for the first time to develop a rationale for parliamentary remuneration based on general occupational characteristics.³¹ The Commissioners felt that the primary legislative function of a Member had no direct parallel anywhere outside Parliament. They did conclude, however, that key job evaluation factors - persuasiveness, contact, knowledge, managerial stress - had a general commonality with similar senior level occupations. (The text of their analysis is reproduced in Appendix D). Accordingly, it was resolved that

28. Nova Scotia Commission of Inquiry: Legislative Salaries and Allowances (November 1974) at 8.

29. British Columbia. Report of the Royal Commission on Electoral Reform (1978) at 91.

30. Prince Edward Island. Report of the Commission on Remuneration for Members of the Legislative Assembly (Feb. 20th, 1980) at 33.

31. Can. Report of the Commission to Review Salaries of Members of Parliament and Senators (Ottawa: 1980) at 11 - Balcer/McIsaac Report.

the salary of a Member of the House of Commons, given the responsibilities of the position and the shared job evaluation factors, should approximate that of the professions.

B. AUTOMATIC ADJUSTMENT FORMULAE

The dominant parliamentary pay adjustment mechanism in Canada today is some form of indexation or linkage to another group, as indicated by Table 4. Nine of the federal and provincial legislatures have enacted legislation providing for annual automatic pay adjustment in the past decade. Only two provinces do not now make use of an indexation or linkage formula -- Ontario and Nova Scotia.

The underlying pressures for an automatic adjustment formula are strong. There is a wish to remove from the political arena the decisions on compensation, which under any system of independent review must be made by Parliament itself and to provide greater protection against the effects of inflation. The combination over recent years of the high rate of inflation and of general restraint measures has made it difficult for legislatures to be seen to vote themselves a salary increase that is justified simply to catch up with the general

TABLE 4
A HIGHLIGHT OF THE INDEXATION FORMULAE EMPLOYED
BY THE FEDERAL AND PROVINCIAL GOVERNMENTS¹

YEAR ENACTED	ALBERTA	BRITISH COLUMBIA	MANITOBA	NEW- BRUNSWICK	NEW- FOUNDLAND	PRINCE EDWARD ISLAND	QUEBEC	SASK.	FEDERAL
INDEX USED	1971 All-items Consumer Price Index for Edmonton & Calgary	1979 Industrial Composite for B.C.	1974 CPI for Canada, Average Yearly Composite Industrial Wage for Manitoba	1973 Industrial Composite for Canada	1981 General Service Collec- tive Agreement	1980 Industrial Composite for Canada	1978 Industrial Composite for Canada	1979 Industrial Composite for Canada	1981 Industrial Composite for Canada, CPI for Canada
MAXIMUM INCREASE ALLOW.	3 5% p.a.	--	--	--	--	7% p.a.	6% p.a.	--	--
PERIOD OF ADJUSTMENT	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
PAYMENTS WHICH ARE INDEXED	Indemnity Expense Allowance Salaries	Indemnity Expense Allowance Salaries	Indemnity Expense Allowance	Indemnity Expense Allowance	Indemnity Expense Allowance	Indemnity Expense Allowance	Indemnity	All Remunera- tive Payments	Indemnity Expense Allowance Salaries
ADJUSTMENT MADE TO PAYMENT AMOUNT	Multi- plied by the percent- age increase in index	Multiplied by 75% of the percentage increase in index	Multiplied by the product of of the percentage increase in the CPI and the Industrial Composite Wage	Multiplied by the percentage increase in index		Multiplied by the percentage increase in index	Multiplied by the percentage increase in index	Multiplied by the percentage increase in index	Multiplied by 1% less than the lesser of the percent- age in- crease in the two indices

1. Two provinces do not make explicit use of an indexation formula - Ontario and Nova Scotia.
2. A detailed explanation of each of the formulae may be found in Appendix A.
3. If the annual percentage change in the CPI is less than 5%, it is carried over to the following years until the cumulative total is at least 5% whereupon the appropriate adjustment is made.

trend of earnings outside.

Former Members were invited to comment on the issue of automatic adjustment during interviews conducted in the course of this study. (See Question #20, Appendix C). Fifty-two percent of the participants preferred automatic adjustment and forty-eight percent opposed the idea. Of those opposed, most felt it necessary to consider and adjust for inflation so that Members wouldn't suffer a loss of purchasing power. Furthermore, an "automatic" adjustment was regarded as an abrogation by the Members of responsibility for their own remuneration.

"This is just a means of getting rid of bad publicity. Politicians should be ready to take the flak and answer for their increases."

"Automatic indexing would be an abrogation of responsibility. The MPP's should have the duty and the courage to make the decision periodically."

A similar view was espoused by the Camp Commission.³²

The Members were also asked to comment on a criticism often levelled at any automatic adjustment -- that in itself it suggests and contributes to inflationary pressures by automatically raising annual incomes. In the context of parliamentary remuneration, it is alleged that indexing provides

32. See supra, note 9.

a kind of inflation insurance for elected officials while the rest of the constituency suffers the ravages of inflation -- a disease in turn blamed rightly or wrongly on excessive government spending. Seventy percent of those interviewed felt there was merit in this argument. Some were in accord with one or both of the argument's premises -- that indexation of earnings and/or excessive government spending fuel inflation. The primary concern of others was not the theoretical validity of the reasoning, but that the public image of a Member would be tarnished somewhat because of the probable acceptance of the claim.

Several former parliamentarians felt that Members should set an example in times of high inflation by foregoing their own salary increases. "When times are tough, politicians should be ready to set an example". Others disagreed with the criticism of indexation and the notion of example-setting. The following comments were typical:

"So what else is new? MPP's
shouldn't be more burdened
than anyone else."

"The public at large is getting
it. When unions and office
staffs are demanding increases
to keep pace with inflation,
they shouldn't expect MPP's to
suffer."

Three automatic mechanisms were mentioned by those interviewed, namely:

- 1) A percentage increase related to the current Public Service wage settlement increases or to the increase allowed a certain class of civil servant, perhaps that of branch director.
- 2) A percentage increase, determined by movements in the Consumer Price Index (CPI).
- 3) A percentage increase based on the annual industrial composite wage.

Among the nine Canadian jurisdictions which use an automatic adjustment mechanism, each of these formulae or a variation thereof is relied upon by at least one legislature. The formula employed by Manitoba incorporates two separate indices: the CPI for Canada and the provincial industrial composite wage. The House of Commons and six provincial legislatures have tied their remuneration either to the national or to the provincial industrial composite wage. Alberta tracks the CPI for Edmonton and Calgary. Only Newfoundland looks to its general service collective agreements for legislative pay adjustments.

A linkage with another group such as the civil service generally or with a specific level within the service has two major disadvantages. It tends

to be based upon the assumption that there is a high degree of affinity between the work of elected officials and that of the comparator group; thus, if the job of a Member of the Legislature is sui generis, a Member would benefit from increases that are germane to the "parent" group but not to parliamentarians. There is also the danger, which is likely to increase as the size of the comparator group diminishes, that where the pay of the "parent" group is settled by negotiation, the attachment of parliamentarian's pay to it will impose an undesirable political pressure upon the negotiating process. That Members could appear to have a vested interest in the wage and salary negotiations of certain groups would be entirely inappropriate to their role as elected representatives.

Linkage to an index such as the CPI or industrial composite wage, by its more general nature, reduces these objections. On the other hand, it prevents the rational evaluation of the pay for the job against the background of the changing circumstances of the work.

The Camp Report in 1973 observed that

"The practice of a fixed mechanism to review Members' remuneration might mask the need for further studies as the role of an MPP

changes. There is certainly evidence that, as the influence of government becomes more extensive and the population becomes more sophisticated, MPP's will face a more demanding workload."³³

Prince Edward Island in its 1980 report acknowledged the ease of administration entailed in automatic adjustment as well as the need for periodic review. It recommended indexation to the national industrial composite wage, with the proviso that a mandatory review be made by an independent commission after each general election.³⁴

Moreover, since an index reflects all forms of pay movements in the private as well as the public sector, Members might well find themselves in the position of benefiting from levels of increase which are, for example in times of pay restraint, inconsistent with the government's stated policies. Accordingly, four jurisdictions³⁵ have specified in their adjustment formula a maximum annual percentage increase allowable. It is a practice unique to Alberta that any increase in the index greater than the allowable maximum of five percent may be carried over to the following years until the cumulative total is at least five percent whereupon the adjustment formula is applied.

33. Ontario, First Report of the Ontario Commission on the Legislature (Toronto: Queen's Printer, 1973) at 77.
34. Prince Edward Island, Report of the Commission on Remuneration for Members of the Legislative Assembly (Charlottetown: Queen's Printer, 1980) at 41.
35. Alberta, Prince Edward Island, Quebec and the Federal Government.

The industrial composite wage has been chosen over the CPI by every jurisdiction which has enacted legislation to establish an automatic formula since 1974. Its alternative, the Consumer Price Index, is a measure of percentage change through time in the price of goods and services purchased by a representative cross-section of the Canadian urban population. It represents the spending patterns of single person spending units and all families of two or more persons living in private households in urban centres with populations of 30,000 and over. It is related to the retail prices of about 400 items selected as representative of thousands of commodities and services generally purchased. Not only is there some question of the accuracy of the CPI as a measure of change in the cost-of-living, but the index also tends to underestimate the effect of inflation on lower income groups and to overestimate its impact on higher income groups.

The industrial composite wage represents the average weekly wage over all commercial industries except agriculture, fishing and trapping in either the entire country or a particular province. As such, it stands as a more direct and accurate measure of pay fluctuations and is thus preferable

to the CPI as an adjustment formula. Several interview participants felt that the use of the industrial composite wage, rather than the CPI, would attenuate somewhat the force of the argument outlined previously -- that tying parliamentarian's remuneration to an index such as the CPI, which approximates the effects of inflation, would give them a special status not enjoyed by other groups in society.

Table 5 compares the movement over the period 1969-1981 of the various indices and the Members' remuneration.

WHAT IS TO BE INDEXED?

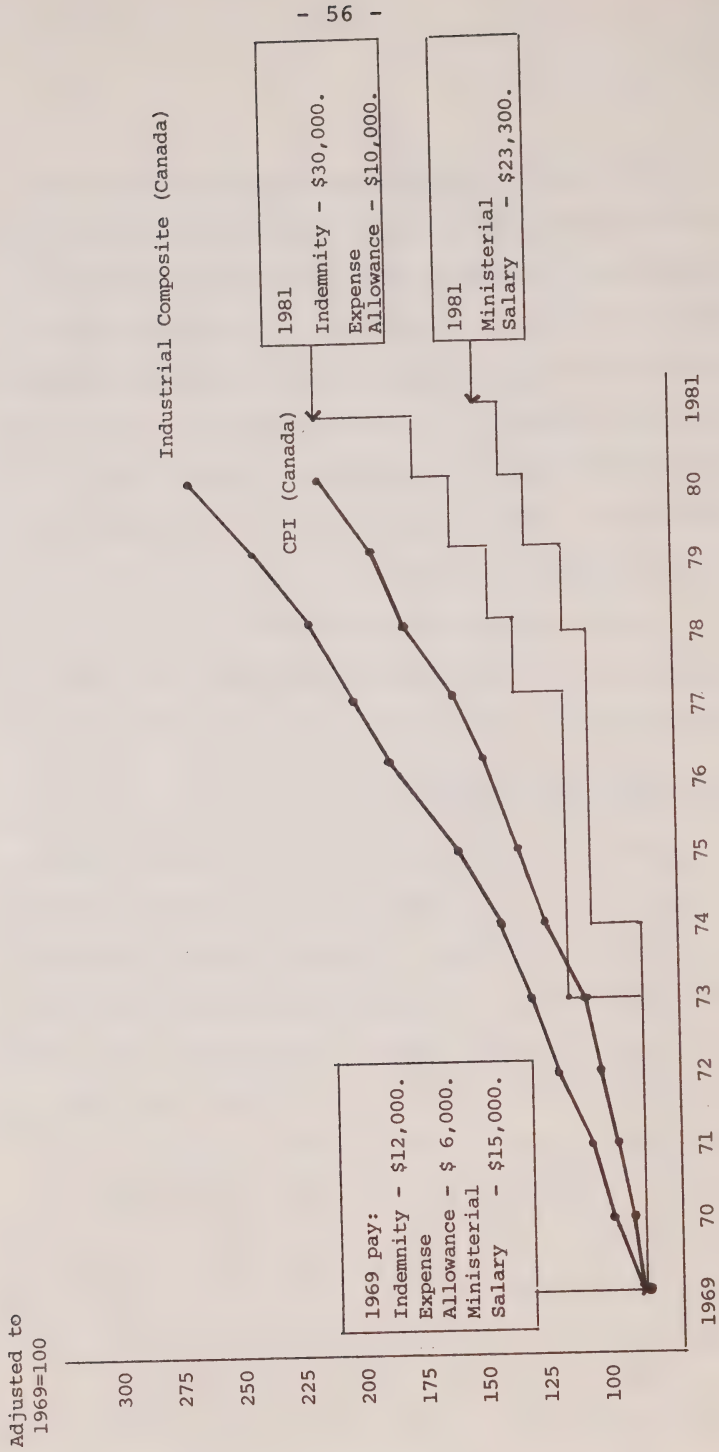
Having settled on a formula, the parliamentarians had to decide to which of their payments it should be applied. Four provinces³⁶ automatically adjust the basic indemnity and expense allowance, while the House of Commons and four other provinces³⁷ have indexed the salaries paid for specific offices as well. Only in Saskatchewan where all payments are adjusted automatically is the committee work allowance indexed. That the review of salaries is still often left to independent commissions is a recognition of the need for periodic assessment of the adequacy of compensation

36. Manitoba, New Brunswick, Newfoundland, Prince Edward Island.

37. Alberta, British Columbia, Saskatchewan, Quebec.

TABLE 5

CHANGES IN ONTARIO MPP'S PAY AS COMPARED
WITH THE INDUSTRIAL COMPOSITE AND CPI FOR CANADA



against the background of the changing circumstances of the job. While the parameters of a parliamentarian's role are by no means constant over time, the duties and responsibilities of a cabinet post arguably evolve more dramatically.

To be consistent with the purposes for which the expense allowance was originally intended, one would expect to find it linked to a price index rather than to the industrial composite wage. In practice, however, a distinction between the expense allowance and basic indemnity is not made. Where the latter is adjusted by an industrial composite wage, the former is as well. Simplicity in application could account for this practice. Alternatively, it may be reflective of a generally-held opinion that the tax-free expense allowance is an integral part of a Member's compensation package.

C. THE EXPENSE ALLOWANCE

The growing tendency in Canada is to identify a parliamentarian's pay as the sum of the basic indemnity and the expense allowance. The calculation of Canadian legislator's total annual income in before-tax dollars, which is detailed in Table 6, assumes that the expense allowance is an integral

TABLE 6

CALCULATION OF MEMBER'S TOTAL ANNUAL INCOME
IN BEFORE-TAX DOLLARS (AS OF JULY 1st, 1981)

	Indemnity	Expense Allowance	(a) Tax Rate	(b) Expense Allowance in Before-Tax Dollars	(c) Total Annual Income (Before Tax)
			%	\$	\$
Alberta	22,050	6,485	23.7	8,500	30,550
British Columbia	26,200	13,100	25.7	17,631	43,831
Manitoba	17,965	8,983	24.0	11,820	38,020
New Brunswick	21,980	8,792	26.0	11,881	33,861
Newfoundland	20,520	(d)	25.5	--	20,520
Nova Scotia	15,600	7,800	22.1	10,012	25,612
Ontario	30,000	10,000	35.0	15,385	45,385
Prince Edward Island	12,000	6,000	17.3	7,255	19,255
Quebec	33,110	7,500	37.0	11,905	45,015
Saskatchewan	10,980	9,729	25.9	7,409 (e)	22,628 (e)
House of Commons	43,800	14,700	32.0	21,618	65,418

- (a) Assuming the Member is married to a spouse who is not working, has 2 children and is paying toward a pension as required by the particular legislature.
- (b) $\frac{\text{Expense Allowance}}{1 - \text{tax rate}} = \text{Expense Allowance in Before Tax Dollars}$
- (c) Sum of Column #1 and Column #4.
- (d) No expense allowances comparable to those paid at other governments is provided. Various other allowances are paid.
- (e) An amount of the expense allowance equal to one-half the basic indemnity is tax free; any excess is fully taxable. Of the \$9,729 expense allowance, \$5,490 ($= \frac{1}{2} \times 10,980$) is exempt of tax, while \$4,239 ($9,729 - 5,490$) is taxable. The total annual income in before-tax dollars is thus the sum of \$10,980, \$4,239 and \$7,409 ($5,490 \times 1.259$).

part of the pay package. The correctness of this approach is open to debate. An investigation of the original purpose of the allowance and of the manner in which it is expended by present Members is necessary to evaluate its significance in the compensation scheme.

The original theory behind giving a legislator an expense allowance was no doubt to eliminate the necessity of keeping minute track of a myriad of legitimate expenses and the necessity of producing receipts for the same. The allowance was intended to cover the costs associated with meetings, conferences, conventions, donations, entertainment of constituents, reference materials and other items which arose in the daily work of a Member.

The "professionalization of politics" described by Professor R.R. March in his book, The Myth of Parliament,³⁸ has seen Canadian legislatures make greater provision for the expenses incidental to a Member's office. A straight comparison of the allowance amounts paid by the federal and provincial legislatures, which are outlined in Table 7, is deceptive; there are now many additional subsidies which vary greatly from jurisdiction to jurisdiction.

38. March, R.R., The Myth of Parliament (Scarborough, 1974) at 36.

TABLE 7

EXPENSE ALLOWANCES PAID TO CANADIAN LEGISLATORS

	Allowance Amount	As a % of the Basic Indemnity	Tax Free	Indexed Annually
House of Commons	\$14,700	34	Yes	Yes
Alberta	6,485	29	Yes	Yes
British Columbia	13,100	50	Yes	Yes
Manitoba	8,983	50	Yes	Yes
New Brunswick	8,792	40	Yes	Yes
Newfoundland	(a)	--	--	--
Nova Scotia	7,800	50	Yes	No
Ontario	10,000	33	Yes	No
Prince Edward Island	6,000	50	Yes	Yes
Quebec	7,500	23	Yes	No
Saskatchewan	9,729 (b)	89	(c)	Yes

- (a) No expense allowance comparable to those paid other governments is provided. Various other allowances are provided.
- (b) Members representing a northern constituency receive an additional allowance of \$330 p.a.
- (c) The amount of the expense allowance equal to one-half the basic indemnity is tax free; the excess is taxable.

Table 8 lists in a concise and abbreviated form most of these additional perquisites. Many jurisdictions have generous travel allowances for Members and, in general, an effort is made to cover all the expenses incurred in attending committee meetings and other official functions when the legislature is not sitting. Research may be furnished by a government agency or funded by the Legislature. In most jurisdictions constituency offices are now provided and paid for to enable the Members to attend to constituency matters. Long distance telephone, mail and secretarial services are at the disposal of most parliamentarians. In short, many of the expenses which the allowance was originally intended to fund are now reimbursed directly by the Legislature. The Members are now arguably allowed to use much of the allowance for personal expenses.

Legislators interviewed in the course of this study were asked the question "If a thorough accounting were completed, do you think MPP's would have much, if anything, of their expense allowance left over for personal expenses?" If the Member thought that a portion of the allowance would be available for personal expenditures, the question was then asked: "Do you regard the expense allowance as a

TABLE 8

BENEFITS AND SUPPORT FACILITIES

FOR CANADIAN LEGISLATORS*

	<u>House of Commons</u>	<u>Alta.</u>	<u>B.C.</u>	<u>Man.</u>	<u>N.B.</u>
Travel Costs					
(Constituency-capital):					
- economy air trips (year)	52(a)	)	28	No	No
- auto mileage in session	(b)	) Expenses(c)	No	) 26	1 trip/wk.
- auto mileage in recess	(b)	)	No	) trips	25 trips
Other Travel Expenses:					
- rail pass	Canada	Province	Province	Province	No
- bus pass	No	Yes	Yes	Yes	Province
- auto mileage in constituency	No	Yes(c)	Yes(d)	No	No
Rent Subsidy (members from outside capital region)	No		No		
- per diem		-		\$40	\$47.50
- vouchered costs/day		\$50		-	-
- vouchered costs/year		-		-	-
- other members/day		No		No	No
"Committee" Allowance in recess:					
- vouchered meals	No	Yes	Yes	Yes	\$20(f)
- vouchered accommodation	No	Yes	Yes	Yes	Yes
- vouchered travel	No	Yes	Yes	Yes	Yes
Pension Plan	Yes	Yes	Yes	Yes	Yes
Free Long Distance Telephone (business-related)					
- yearly basis	unlimited	unlimited	unlimited	Province	Province
- during session	-	-	-	unlimited	-
Free Mail Service(Canada)					
- from legislature	unlimited	No	unlimited	unlimited	No
- no. of bulk mailings to constituencies (year)	4	0	1	1	0
Member's Office: Constituency					No
- funds for office	\$ 4,930	\$5,000))	
- funds for staff	\$16,100(p)	\$5,000	)\$15,600	)\$900	
Member's Office: Legislature					
- individual space	Yes	Yes	Yes	-	No
- shared space	-	-	-	Yes	No
- office supplies	Yes	Yes	Yes	Yes	Yes
Secretarial/Research Assistance					
- individual staff					
full-time	4(q)	No	No	No	
sessional only	-	No	No	No	
- shared secretarial pool					
sessional	-	Yes	Yes(t)	Yes(u)	
in recess	-	Yes	Yes(t)	Yes(u)	

*Source: Commonwealth Parliamentary Association. "Salaries, Allowances and Support Facilities for Federal and Provincial Legislators." Canadian Regional Review. Number 1, Volume III, March, 1980.

<u>Nfld.</u>	<u>N.S.</u>	<u>Ontario</u>	<u>P.E.I.</u>	<u>Que.</u>	<u>Sask.</u>	<u>N.W.T.</u>	<u>Yukon</u>
No	Yes(f)	52(h)	No	No	No	)vouchered	10
No(e)	)26	unlimited	1 trip/day	)52	)35	)expenses	Yes
No	)trips	unlimited	No	)trips	)trips	No(m)	No
No							No
	Yes	)expenses(i)	No	Province	No	No	
	No	)	No	No	No	No	
	No	Yes(j)	Yes	Yes(k)	Yes(l)	Yes(m)	
			No				
\$46	\$50(g)	-		-	\$53	\$90	\$23.65
- or	\$75(g)	-		-	-	-	Yes
-		\$5,460		\$4,600	-	-	-
No	\$15	No		No	\$37	\$25	-
No	Yes	\$27	\$10	No	Yes	Yes	\$23.65
No	Yes	Yes	No	No	Yes	Yes	Yes(o)
No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	No	Yes	Yes	Yes	No
unlimited	\$900	unlimited	No	unlimited	unlimited	\$1,500	No
-	-	-	No	-	-	-	Territory
unlimited	\$900	unlimited	unlimited	unlimited	51¢/con-	unlimited	unlimited
4	0	2	0	2	stituent	0(n)	2
No			No		0		
	)	\$5,600		\$6,800(bb)	)	Yes(ee)	No
	)\$2,700	\$13,000		\$23,600(cc)	)\$6,456	-	
-	No	Yes	-	Yes	Some	-	Yes
Yes	No	-	Yes	-	Yes	Yes	-
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No	No	1	No	1	No	No	No
No	No	-	No	-	No	No	No
Yes	Yes(x)	-	Yes	-	Yes	Yes(ff)	Yes
Yes	Yes(x)	-	Yes	-	Yes	Yes(ff)	Yes

	<u>House of Commons</u>	<u>Alta</u>	<u>B.C.</u>	<u>Man.</u>	<u>N.B.</u>
Offices:					
- Leader of Opposition					
no. of staff	)	)	5	1	4
special funds	) \$650,000	) \$200,300	No	No	\$8,000 (v)
- Recognized Party -1					
no. of staff))	-	-	-
special funds	) \$289,000	\$44,575	-	-	-
- Recognized Party -2					
no. of staff)	-	-	-	-
special funds	) \$105,000	-	-	-	-
Services for caucus					
- permanent room	No	No	No	Yes	Yes
- secretaries	No	No	Yes (t)	Yes (u)	No
- special funds	No	No	Yes (t)	No	No
Research funds:					
- Government Party	\$325,000	\$66,000	\$52,000	\$33,000 (u)	No
- Opposition Parties	\$520,000 (r)	Yes (s)	\$72,000	\$24,000 (u)	No
Legislative Library	Yes	Yes	Yes	Yes	Yes
Library Research Branch					
- no. of professional staff	46	No	No	No	No
Legislative Intern Program	Yes	Yes	Yes	No	No

<u>Nfld.</u>	<u>N.S.</u>	<u>Ontario</u>	<u>P.E.I.</u>	<u>Que.</u>	<u>Sask.</u>	<u>N.W.T.</u>	<u>Yukon</u>
2	4	)	-	5)	-	-
No	Yes (y)	) \$101,000 (z)	-	No	) \$53,850	-	-
-	3	)	-	3	-	-	-
-	No	) \$98,000 (z)	-	No	-	-	-
-	-	-	-	2	-	-	-
-	-	-	-	No	-	-	-
	Yes	Yes	No	No	Yes	Yes (gg)	Yes
No	Yes (x)	No	No	No	No	No	No
No	\$4,880/ Mem. (x)	\$7,926/ Mem.	No	No	\$2,692/ Mem. + \$16,155	No	No
\$14,800 (w)	No	\$189,100 (aa)	No	\$165,000	\$106,332	No	\$12,000
\$14,800 (w)	No	\$497,900 (aa)	One Researcher	\$176,000 (dd)	\$83,184	No	\$24,000
Yes	Yes	Yes	Yes	Yes	Yes	No	No
No	No	5	No	5	No	No	No
No	No	Yes	No	Yes	No	No	No

- (a) (Canada) - Some of these trips may be converted into (a) 10 special trips across Canada and (b) six trips between the constituency and Ottawa and two trips across Canada for the spouse.
- (b) (Canada) - A Member may take auto mileage instead of air transport for the same number of trips, but the mileage cost is not to exceed the cost of economy air fare.
- (c) (Alberta) - Members are provided with a credit card for gas and oil and for air travel.
- (d) (B.C.) - Members may be granted up to a maximum of \$1,500 a year to defray costs of travel within their constituency.
- (e) (Nfld.) - Members may receive an auto mileage in lieu of the \$46.00 per diem.
- (f) (N.S.) - A Member is entitled to either auto mileage for one return trip or economy air fare.
- (g) (N.S.) - The rent subsidy is either a straight \$50.00 per day or vouchered costs up to \$75.00 a day.
- (h) (Ont.) - Up to 4 of these trips may be used by the Member's spouse. Members representing some northern Ontario ridings are granted vouchered costs of air travel up to \$2,730 per annum.
- (i) (Ont.) - Members are reimbursed the actual cost of bus or first class train transportation plus berth, meals and gratuities.
- (j) (Ont.) - In addition a Member is reimbursed the lesser amount of 6 round trips from his constituency or \$800.00 for travel in Ontario.
- (k) (Que.) - There is a travel allowance for mileage and other vouchered expenses which may be incurred travelling within the constituency. The maximum amount which can be claimed varies according to the constituency represented, as organized in the following groups:

Group I	Nil
Group II	\$1,000
Group III	\$2,000
Group IV	\$3,000
Group V	\$5,000

- (l) (Sask.) - Northern Members (Athabasca and Cumberland) are provided with 2 trips per year to each community within their constituency.
- (m) (N.W.T.) - A constituency allowance is intended to reimburse Members for actual expenses incurred in making 2 visits per year to each settlement in the electoral district.

- (n) (N.W.T.) - There is no special provision for bulk mailing, but there is no restriction; the Members may use the service as extensively as they wish.
- (o) (Yukon) - A Member from outside Whitehorse is reimbursed for expenditures for accommodation, meals and incidentals to attend events when the Council is not sitting to a maximum of \$1,200 per annum.
- (p) (Canada) - Members may hire one secretary for their constituency office at pay scale of either category 2, \$9,955 - \$13,100 or category 3, \$14,338 - \$16,100.
- (q) (Canada) - MP's are provided with a global sum of up to \$46,000 to be used for salaries of up to, but no more than, 4 staff positions for their parliamentary offices.
- (r) (Canada) - The research budget was established on a new formula on April 1st, 1979 to continue to February 15th, 1980. The funds during this 10½ month period were as follows:

Government	- \$325,000
Liberal	- \$325,000
New Democratic	- \$129,000
Social Credit	- \$ 66,000

- (s) (Alta.) - Funds for Opposition research can be taken from the funds granted to the Leaders of the parties as seen above.
- (t) (B.C.) - Support services for Members are provided through a funding system which channels funds through the legislative caucuses. Through these funds the caucuses service the offices of their Members, provide the secretarial pools and an office manager. The research funds are extra, however it is possible that a party will use some of its funds for secretarial services to hire additional researchers. These are provided as follows:

Government Caucus	- \$212,104
Official Opposition (NDP)	- \$235,424
Progressive Conservative	- \$ 43,083
Liberal	- \$ 43,095

- (u) (Man.) - Each caucus is provided with a caucus room with full time secretarial help on a year-round basis. Research funds are provided on the basis of \$1,000 per Member and are distributed to the Opposition as follows:

New Democratic	- \$ 22,000
Liberal (1)	- \$ 1,000
Independent (1)	- \$ 1,000

Additional clerical help, as approved by the Board of Internal Economy, is provided when the House is in session.

- (v) (N.B.) - This is to cover travel and accommodation expenses.
- (w) (Nfld.) - This represents 1 secretary and 1 researcher.
- (x) (N.S.) - Services for Members are organized through the caucus office for each party. It is funded on the basis of \$115 per month per Member. Secretarial service is provided through this office for Members funded on the basis of \$3,500 per Member per year with no caucus to receive less than \$15,000. This makes a total contribution of \$4,880 per Member per annum for research and secretarial assistance.
- (y) This consists of extra travel expenses - 52 round trips per year.
- (z) (Ont.) - The funds available for the Office of Leader of both the Official Opposition and the Recognized Party are based on a figure which is 40% of the funds available to each caucus. Additional funds are provided for services and support of the Office of House Leader for both the Official Opposition and the Recognized Party which total \$26,700 for each position.
- (aa) (Ont.) - Research is funded as follows:
- | | |
|-------------------------------------|-------------|
| \$5,834 per yr./Govt. backbencher | = \$189,000 |
| \$7,956 per yr./Official Opposition | = \$270,500 |
| \$6,895 per yr./Recognized Party | = \$227,400 |
- (bb) (Que.) - This allowance can be increased to \$7,900 for Members representing constituencies in groups IV and V who must lease premises in more than one place.
- (cc) (Que.) - This sum may be increased to \$26,100 for districts in Group IV or \$28,300 for districts in Group V.
- (dd) (Que.) - Research funds for Opposition parties are divided as follows:
- | | |
|--------------------|-------------|
| Liberal | - \$110,000 |
| Union Nationale | - \$ 55,000 |
| Parti Democratique | - \$ 11,000 |
- (ee) (N.W.T.) - There is a constituency allowance which ranges from \$3,100 to \$14,900 depending on the electoral district to reimburse Members for expenses incurred in making two visits to each settlement in the electoral district, plus secretarial assistance, postage and miscellaneous items up to the prescribed maximum.
- (ff) (N.W.T.) - Secretarial service is provided as required through the Clerk's office.
- (gg) (N.W.T.) - A lounge for Members is provided during sessions. The Legislative Council is not divided along party lines.

means of increasing a Member's salary by an amount which would not be subject to tax and accordingly must be considered as an integral part of an MPP's remuneration?" Eighty percent of the Members felt that a portion of the allowance was not needed for legitimate expenses and would be available for personal use.

"It is an incentive to spend more on the constituency. Yes, some is left over for personal expenses. It is used to make private contributions and donations which the government should not be paying for."

"For many this allowance is spent primarily on things from which Members do not derive a benefit themselves. This allows for loopholes. I would prefer to have rules for the administration of the allowance. I myself have used it to make contributions to church organs, send flowers to funerals and the like."

"As a city Member, I did not need much for expenses. There is no justification for it and since it is difficult for constituents to understand, it creates an artificial cocoon or insulation around an MPP straining his relationship with constituents."

Disagreement about whether the expense allowance should or should not be regarded as additional remuneration stems to a large extent from uncertainty as to just what constitutes a "legitimate" expense incurred in pursuit of parliamentary duties.

One Member remarked that

"MPP's get dunned for everything. They are on everyone's invitation list. They must live in a certain style (more than one suit for example). They must incur costs to entertain properly. Some Members have money left over. There will always be disparities when everyone is given the same lump sum."

The allowance is non-accountable; no public record is maintained of what the money is spent on. Uncomfortable with this non-accountable aspect of the expense allowance, one Member recommended the institution of "a tough definition of what constitutes a legitimate expense and the implementation of insufferably tight guidelines. This is the practice in private industry." The Balcer-McIsaac Commission was also concerned that control be exercised over the items for which the expense allowance is used, that the job of a parliamentarian be made accountable as much as is practicable.

"In this way the expense allowance is seen for what it is -- compensation for work related expenses which the individual would not otherwise incur. The Commissioners have concluded that the publication of legitimate expenses is in itself the best form of control rather than spelling out strict limits for a wide variety of services. It is also the view of the Commission that the annual publication of such figures will also assist Canadians

in being more aware and more understanding of our unique Canadian style of Government. Freedom of information should also include Parliamentarians themselves."³⁹

The expense allowance is tax-free; section 81(2) of the Canadian Income Tax Act allows a legislature to pay its Members an additional tax-free allowance of up to fifty percent of their basic annual indemnity.

In the past, most provinces fixed the amount of the allowance at the maximum afforded tax-free status, namely fifty percent of the basic indemnity. The expense allowance may be retained by legislatures because, as one Member put it, "it is a means of getting more money to the Members without 'the feds' getting their hands on it." Were the tax-free allowance to be eliminated, a Member's basic indemnity would have to be increased substantially -- by an amount greater than the allowance -- to keep his annual after-tax income constant. Abolishing the tax-free allowance and increasing the taxable indemnity would cost the provincial legislatures more, the increase in funds paid out accruing to the benefit of the federal revenue account. The question is whether the increased cost to a legislature of paying its Members without the benefit of the tax-

39. Balcer-McIsaac Report, supra note 31 at 30-31.

free allowance is worth the benefit of removing the public's misunderstanding and unhappiness engendered by the tax-free expense allowance concept.

In 1973 the Ontario Commission on the Legislature concluded that the benefit was not worth the cost. The Commission acknowledged the public resentment and the discomfiture of the Members themselves caused by the tax-free allowance, but was

"reluctantly persuaded by arithmetic, as well as by common sense, to retain the tax-free allowance. To do otherwise would require that we raise the Member's salary substantially, more to the advantage of the Receiver General than to the Member. Such would make the MPP unlike other taxpayers, in that he would be deliberately paying more tax, in fact, than the present law requires him to pay."⁴⁰

An Albertan Commission appointed in 1979 considered representations from organized labour, the business community and consumer oriented groups with respect to whether a legislator should be in the same position as other members of the public when it comes to paying taxes on income. Its conclusion was that "the time has come for the Province of Alberta to recognize this widespread feeling and depart from the past concept of paying its M.L.A.'s the maximum allowable tax-free expense allowance, concentrating instead on defined constituency expenses."⁴¹

40. Camp Commission First Report, supra note 4, at 23.

41. Alberta. Report of the Committee which Considered Allowances and Salaries (Edmonton, 1979) at 12.

The stated policy of the Ontario Commission on Election Contributions and Expenses has been to scrutinize closely non-taxable allowances.⁴² The Commission in its first four reports recommended only a slight increase in the allowance amount (from \$7,800 to \$8,000). In July of 1981, however, the Members of the Ontario Legislature rejected the Commission's recommendation that the expense allowance be maintained at the then current rate of \$8,000.⁴³ The Members who boosted the non-accountable, tax-free allowance twenty-five percent to the present sum of \$10,000 were apparently willing to withstand the attendant criticism.

D. THE COMMITTEE WORK ALLOWANCE

The legislative committee is the vehicle which parliaments use to gather information necessary to formulate and evaluate public policy and to scrutinize the actions of government. While the steady growth in size of Canadian legislatures has made available more human resources, it also has decreased opportunities for individual participation since legislatures are oriented toward the achievement of specific goals within reasonable time limits. The greater the number of individuals who participate in the legislature's requisite deliberations and

42. Ont., The Fifth Annual Report of the Commission on Election Contributions and Expenses. (Toronto Queen's Printer, 1979) at 52.

43. Ont., The Legislative Assembly Act, R.S.O. 1970, c.240, s.60(2), as amended by Bill 127 of 1981, An Act to Amend the Legislative Assembly Act, s.1(2).

activities, the longer the time required to realize specific goals. The use of committees, however, tends to vitiate the effects of large size on opportunities for individual participation in parliament's work because it increases both the number of opportunities and the length of time available for individuals to participate.

Committees have been likened to miniature legislatures.

"Insofar as they vary in size, in the resources they have available, in the frequency with which they meet, in the formal powers they possess, and in being composed of individuals who vary considerably in their abilities or willingness to perform their duties, the label of miniature legislature is a fairly accurate one."⁴⁴

In Ontario, as in most provinces, committees are of two types. Standing Committees are permanent committees which are organized at the commencement of each new Parliament. These committees deal with bills, departmental spending estimates and other matters referred to them by the House. Select Committees are committees which are struck from time to time to deal with matters referred to them by the Legislature. These committees have special terms of reference and are dissolved after their report is presented to Parliament. Table 9 is a list of the

44. Influence in Parliament, supra note 14, at 152.

TABLE 9

Standing Committees of the Ontario Legislature

	<u>No. of Members</u>
Administration of Justice	12
General Government	12
Resources Development	12
Social Development	12
Members Services	12
Procedural Affairs	12
Public Accounts	12
Regulations and Other Statutory Instruments	12

Select Committees of the Ontario Legislature

Status of Pensions	12
Ombudsman	12
Company Law	12

As of July 1st, 1981

Standing and Select Committees and their respective sizes existing in Ontario as of July 1st, 1981.

The payment of a per diem allowance for attendance at committee meetings held during a parliamentary recess is a practice common to most provincial legislatures though not to the federal Parliament. As can be seen from Table 10, the allowance amounts range from a low of \$35.00 in New Brunswick to a high of \$76.00 in Saskatchewan. Only New Brunswick taxes the committee allowance and only in Saskatchewan is the amount indexed. The allowance is provided over and above the reimbursement of travel and living expenses.

The growing acceptance of politics as a full-time occupation has made the payment of per diem allowances for committee work difficult to justify. The difficulty arises because the responsibility of attending committee meetings is arguably one coming within the ambit of a full-time politician's duties. Any compensation for committee work in addition to the basic indemnity should not then be necessary. This was the view of the Camp Commission which in its first report recommended that:

The per diem payments to Members serving on Select Committees be abolished, and new expense account

TABLE 10

A COMPARISON OF THE COMMITTEE
WORK ALLOWANCE PROVISIONS

	Allowance Amount	Is it Taxable?	Is it Indexed?	In addition, are travel and living expenses reimbursed?	Comments
Alberta	\$75.	Yes	No	Yes	
British Columbia		Yes	No	Yes	The amount paid for each day's attendance is designated by the Lieutenant-Governor in Council.
Manitoba	\$50.	Yes	No	Yes	Deputy Chairmen of Committees of the Whole House receive \$2,500. per session.
New Brunswick	\$35.	No	No	Yes	Chairmen receive \$40. per day.
Newfoundland	--	--	--	--	The Chairman of Committees: \$10,000. p.a. Deputy Chairman: \$5,000. p.a.
Nova Scotia	\$75.	--	No	Yes	The Chairmen & Members of committees also receive an annual allowance which varies by the type of committee
Ontario	\$100.	Yes	No	Yes	Chairman of Committees: \$6,500. p.a. Deputy Chairman: \$4,000. p.a.
Prince Edward Island	--	--	--	--	-----
Quebec	\$50.	Yes	No	Yes	Chairmen of Select Committees receive a salary equal to 10% of the annual indemnity.
Saskatchewan	\$76.	Yes	Yes	Yes	The per diem is also paid for days on which the Member is engaged in the work of the Committee or travelling to and from meetings.
Federal	--	--	--	Yes	No special allowance is available for committee work though travel funds may be obtained.

As of July 1st, 1981

guidelines be established so that Members travelling with these committees may be fairly reimbursed for expenses incurred.⁴⁵

In the conduct of this study, many expressions of concern were heard with respect to the impact of the per diem allowances on the efficiency of the committee system. The Camp Commission's recommendations have not been implemented. Members of either Select or Standing Committees in Ontario receive a tax-free per diem allowance of \$60.00 per day, a \$27.00 non-accountable expense allowance to cover the daily cost of meals, as well as reimbursement of actual payments for accommodation and transportation.

Former Members of Parliament were asked whether they believed the payment of a committee work allowance to be justified when it is accepted that the job of a politician is a full-time job. Fifty-four percent of those interviewed felt it was justifiable; forty-six percent opposed the practice. Those Members supporting the work allowance did so for one of two distinct reasons. The committee work was thought by many Members to be special duty over and above what is expected of a parliamentarian and thus the per diem allowance was regarded as a practical

45. Supra note 4, at 34.

incentive necessary to induce Members to attend committee meetings which serve to expedite legislation.

"Committee work is a call to further duty. It is an additional responsibility beyond the job description. The work assigned is specific in nature and may be unrelated to the task of representing constituents."

"Not all Members do committee work and hence there is an imbalance of workloads. The summer months are not vacation time but are needed to do constituency work and politics, thus the remuneration is needed to induce Members to do committee work."

The allowance was regarded by others as a practical means by which Members could supplement their basic indemnity which was felt to be too low. It is possible for an ambitious Member to earn several thousand tax-free dollars by sitting on one or more active committees during the recesses.

One parliamentarian remarked that:

"It is difficult to change the level of the indemnity overnight. The per diem arrangement is a practical means of supplementing incomes. The committee system is an effective means of expediting the work of the House and shortening the sessions. It provides

an incentive to adjourn the House so that Members can get out and earn extra income."

The association of committee work allowance and the level of a Member's basic indemnity was made by several Members.

"I am opposed to the practice of paying a per diem. The committee system has been tainted by the need of Members to earn supplementary income. Select committees have often been appointed to earn extra income."

That the practice of paying a committee a per diem allowance is used to augment what is regarded as a low basic salary may explain the 1981 pay adjustments enacted by the Ontario Legislature. While the House exceeded most of the recommendations of the Commission on Election Contributions and Expenses, the proposal that the committee work allowance be adjusted from \$52/day non-taxable to \$100/day taxable was not implemented. The per diem allowance was instead set at \$60/day non-taxable. At a time when the salaries for Ontario's elected officials had arguably risen to a level appropriate for their full-time duties, an additional large and obvious boost in the committee per diem allowance was not desired.

The federal government's Report of the Commission to Review Salaries of Members of Parliament and Senators (The Balcer-McIsaac Commission Report) examined the committees of the House of Commons. Unlike most provincial legislatures, the federal Parliament does not compensate committee members for their attendance and work in committees which sit during parliamentary recess. Their comments were, however, suggestive of a relationship between the level of a Member's basic indemnity and the practice of paying a committee work allowance.

"We believe, however, despite suggestions to the contrary, that additional compensation is not required if Parliament adopts our recommendations on indemnity increases. We do recommend, however, full meal and travel costs be provided."⁴⁶
(underlining added)

In short, the argument is that committee work allowances are justifiable as long as Members are paid less than their full-time duties merit. The difficulty is, of course, that any dissatisfaction with the level of the annual indemnity is used to justify the payment of committee per diem allowances. Meanwhile, the basic question of what constitutes fair remuneration for a legislator, whose occupation must be considered to be full-time, remains unresolved.

46. Balcer/McIsaac Report, supra note 31, at 57.

The interview participants who were opposed to the provision of a work allowance felt that it fostered abuse of what is a necessary and crucial adjunct to parliamentary proceedings -- the committee system.

"If the per diem were abolished, many committees would disappear. At present, some committees are busy working for those who want extra money. They serve no valid purpose."

"If the per diem were abolished, only serious Members would attend committee meetings which would be for the better."

Furthermore, those who participated in the interview were all but unanimous in the view that the committee per diem should be taxable. No reasons were offered as to why it should be tax exempt.

E. SALARIES FOR POSITIONS OF ADDITIONAL RESPONSIBILITY

Two issues arise in relation to compensation for those who accept additional duties in the operation of a legislature. The first is how the base levels of pay should be set for the various offices and the second is the means by which these salaries should be adjusted over time. The latter issue is dealt with in the section "Automatic Adjustment Formula" at page 47.

One disadvantage of indexation -- the masking of a need for rational evaluation of the pay for the job against the background of the changing circumstances of the work -- is more critical in the case of an office holder than in the case of an ordinary Member. The importance of the function of an office can change dramatically because of shifts in the composition of a legislature, the evolving nature of the parliamentary process and the individual office holders themselves. For instance, the increased number of seats held by the New Democratic Party in the Ontario Legislature and the House of Commons resulted in an under valuation of the office of the Leader of a Recognized Political Party. Recent significant improvements in compensation were necessary to account for the more onerous demands of the position.⁴⁷ The need for frequent assessment of the special offices of a legislature vis-a-vis each other, the office of an ordinary Member of parliament and comparable positions in private industry suggest why five of the nine legislatures which adjust the basic indemnity automatically continue to increase additional salaries on an ad hoc basis. The unfortunate result of reliance on the traditional mode of adjustment is that in at least one

47. Ont. The Fourth Report of the Commission on Election Contributions and Expenses Containing Recommendations In Respect of the Indemnities and Allowances of Members of the Assembly (Toronto, Feb. 3rd, 1981) at 3; The Balcer-McIsaac Report, supra note 31, at 28.

province (Ontario), the increases for Cabinet Ministers have been relatively less than those for private Members. (See Table 5 at page 56).

Table 11 shows the present pay levels for the various offices in Canadian legislatures in absolute dollar amounts and as a percentage of an ordinary Member's annual indemnity. Table 12 depicts the additional salaries as a percentage of a Member's before-tax income as calculated in Table 6.

While the universal practice in Canadian legislatures is to pay the Ministerial salary in addition to a Member's salary, the British reason that the responsibility of a Ministerial office must impinge on the individual's ability to undertake the full range of a Member's Parliamentary activities. Accordingly, the "Parliamentary salary" that Ministers and other office holders in Britain's House of Commons receive in recognition of their responsibility for their constituents as distinct from their Ministerial or other responsibilities does not equal the full salary of a backbench Member. In 1979 Britain's Boyle Commission judged that the amount of time that Ministers and other office holders, as a group, devoted to constituency business had decreased since 1975 and recommended the "Parliamentary salary"

THE SALARIES FOR POSITIONS OF ADDITIONAL

[illegible]

TABLE 11 Continued

THE SALARIES FOR POSITIONS OF ADDITIONAL
RESPONSIBILITY AS A PERCENTAGE OF A MEMBER'S BASIC
INDEMNITY (AS OF JULY 30th, 1981)

	New- foundland		Manitoba		Sask- atchewan		Alberta		British Columbia		House of Commons	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Basic Indemnity	20,520	100	17,965	100	10,980 (e)	100	22,050	100	26,200	100	43,800	100
Expense Allowance	(d)		8,983	50	9,729 (e)		6,485	29	13,100	50	14,700 (f)	34
Premier/Prime Minister	30,730	150	26,600	148	32,136	293	41,265	187	35,800	137	50,000	114
Minister	18,700	91	20,600	115	24,175	220	33,600	152	30,700	117	33,600	77
Minister Without Portfolio	9,350	46	15,600	87	--	--	23,835	108	23,200	89	--	--
Parliamentary Assistant	--	--	2,500	14	5,896	54	--	--	--	--	7,500	17
Speaker	18,700	91	6,000	33	9,434	86	20,580	93	24,300	93	33,600	77
Deputy Speaker	10,000	49	3,500	19	5,601	51	7,665	35	10,850	41	17,700	40
Deputy Chairman of Committees	5,000	24	--	--	1,500	14	5,040	23	--	--	7,500	17
Chairman of Committees	--	--	2,500	14	1,500	14	--	--	--	--	7,500	17
Leader of Official Opposition	18,700	91	20,600	115	24,175	220	33,600	152	24,300	93	33,600	77
Leader of a Recognized Party	--	--	--	--	12,087	110	5,000	23	10,850	41	20,200	46
House Leader-- Official Opposition	--	--	2,500	14	15,000	137	--	--	--	--	16,600	38
House Leader-- Recognized Party	--	--	--	--	--	--	--	--	--	--	7,200	16
Chief Gov't. Whip	3,090	15	2,500	--	2,500	23	--	--	--	--	9,300	21
Chief Opposition Whip	3,090	15	2,500	--	2,500	23	--	--	--	--	9,300	21
Chief Whip-- Recognized Party	--	--	--	--	1,500	14	--	--	--	--	--	--
Gov't. Whip	--	--	--	--	1,500	14	--	--	--	--	5,400	12
Opposition Whip	--	--	--	--	1,500	14	--	--	--	--	5,400	12
Whip--Recognized Party	--	--	--	--	750	7	--	--	--	--	5,400	12

TABLE 11 Continued

- (a) To each of not more than three Government Whips - \$4,400; to each of not more than two Opposition Whips - \$4,400; to the Party Whip of a Recognized Political Party - \$4,000.
- (b) The salary for the Minister without Portfolio can range between \$7,500 and \$25,000, as determined by Lieutenant-Governor in Council.
- (c) The salary for any Party Whip is equal to \$65 multiplied by the number of members in that party.
- (d) No expense allowances comparable to those paid at other governments is provided. Various other allowances are provided.
- (e) Members representing northern constituencies receive an additional \$1,415 indemnity and \$330 expense allowance.
- (f) The expense allowance is \$19,500 for members from the N.W.T. and \$18,100 for members representing electoral districts in Schedule III of the Canada Elections Act.

TABLE 12

THE SALARIES FOR POSITIONS OF ADDITIONAL
RESPONSIBILITY AS A PERCENTAGE OF A MEMBER'S TOTAL
ANNUAL INCOME IN BEFORE-TAX DOLLARS

	Ontario	Quebec	Nova Scotia	New Brunswick	Prince Edward Island
	%	%	%	%	%
Premier/Prime Minister	73	96	125	98	150
Minister	51	68	98	64	98
Minister Without Portfolio	26	--	29	44	98
Parliamentary Assistant	16	19	--	--	--
Speaker	38	68	59	32	25
Deputy Speaker	16	31	29	16	12
Deputy Chairman of Committees	11	--	--	--	--
Chairman of Committees	9	9	--	--	--
Leader of Official Opposition	51	68	98	64	83
Leader of a Recognized Political Party	26	28	39	23	--
House Leader-- Official Opposition	20	28	--	--	--
House Leader-- Recognized Party	15	25	--	--	--
Chief Gov't. Whip	20	28	--	4	--
Chief Opposition Whip	13	19	--	4	--
Chief Whip-- Recognized Party	11	15	--	--	--
Government Whip	13	15	--	--	--
Opposition Whip	10	15	--	--	--
Whip--Recognized Party	--	--	--	--	--

Total Annual
Income in Before-
Tax Dollars

(From Table 6) \$45,385 \$45,015 \$25,612 \$33,861 \$19,255

TABLE 12 Continued

THE SALARIES FOR POSITIONS OF ADDITIONAL
RESPONSIBILITY AS A PERCENTAGE OF A MEMBER'S TOTAL
ANNUAL INCOME IN BEFORE-TAX DOLLARS

	Nfld.	Man.	Sask.	Alta.	B.C.	House of Commons
	%	%	%	%	%	%
Premier/Prime Minister	150	69	142	135	81	76
Minister	91	54	107	109	76	51
Minister Without Portfolio	46	41	--	78	70	--
Parliamentary Assistant	--	6	26	--	52	11
Speaker	91	15	42	67	--	51
Deputy Speaker	49	9	25	25	56	27
Deputy Chairman of Committees	24	--	7	16	24	11
Chairman of Committees	--	6	7	--	--	11
Leader of Official Opposition	91	54	107	109	--	51
Leader of a Recognized Political Party	--	--	53	16	56	30
House Leader--Official Opposition	--	6	66	--	25	25
House Leader--Recognized Party	--	--	--	--	--	11
Chief Govt. Whip	15	6	11	--	--	14
Chief Opposition Whip	15	6	11	--	--	14
Chief Whip--Recognized Party	--	--	7	--	--	--
Government Whip	--	--	7	--	--	8
Opposition Whip	--	--	7	--	--	8
Whip--Recognized Party	--	--	3	--	--	8

Total Annual
Income in Before-
Tax Dollars
(from Table 6) \$20,520 \$38,020 \$22,628 \$30,550 \$43,831 \$65,418

become a slightly smaller proportion of the full salary of a backbench Member.⁴⁸

In Canada the primary concern of many Ministers is that their total income be comparable to the compensation of senior personnel in their own employ, namely Deputy Ministers. Minister/Deputy Minister pay comparisons are at the outset made difficult because Ministers are availed of perquisites such as a limousine and chauffeur -- valuable personal benefits awarded in addition to monetary compensation. A direct linking of Ministerial salaries to those in the Civil Service is undesirable because it would result in having the Ministry negotiate pay rates for the Civil Service knowing that, at the same time, their salaries were being determined automatically.

What the relative level of a Ministerial salary vis-a-vis that of a Deputy Minister should be was the subject of considerable debate during the interviews conducted in the course of this study. Those who maintained that a Minister should be paid as much as, if not more than his Deputy Minister, argued that if an individual had ultimate political responsibility for a Ministry, it was difficult to establish and retain the respect of associates and subordinates when his compensation indicated to the public that he

48. United Kingdom. Review Body on Top Salaries -- Report No. 12 (London, June 1979) at 9.

was the number two person in the Ministry. Of the Members who saw no inequity in having a Deputy Minister earn more than a Minister, the following comment was typical:

"A Deputy Minister is a different breed of cat -- a highly trained specialist retained on a permanent basis. A Minister is not a specialist. He is a man of general common sense whose breadth of vision does not obscure the intensity of his gaze. A Deputy Minister can be likened to a Chief Executive Officer of a corporation and a Cabinet Minister to a Chairman of the Board. It always takes a Minister a year or two to learn the ropes, during which time he has to rely on the Deputy Minister who possesses the requisite knowledge and experience."

It is more difficult to propose that a Minister make a financial sacrifice while in office than it is in the case of an ordinary Member. Interview participants were of the general opinion that at the Cabinet level, comparisons with the private sector were imperative to attract and retain talented personnel. While a private Member may be able to generate supplementary income, conflict of interest considerations usually preclude Cabinet Members any additional source of funds.

The function and responsibility of the Ministry and other office holders are more clearly

defined and thus more clearly perceived than those of a private Member. The office of a university president has been compared with that of a Cabinet Minister: the appointment is generally short-term (seven to ten years); an element of public service is involved and there is a comparable burden of responsibility in an institution devoid of the profit motive.⁴⁹ Other salaries looked to for comparative purposes were those of self-employed professionals and senior management executives. Former Members of Parliament interviewed recommended that the Premier's (First Minister's) salary be kept in line with the salaries of presidents of a major corporation.

F. DEDUCTIONS FOR NON-ATTENDANCE

The lax attendance regulations observed by the House of Commons from its inception to 1950 were identified by Norman Ward in his study of the Canadian Parliament as the fundamental weakness of the indemnity laws. "All in all, the opportunities for Members to draw their indemnities and other emoluments without too much wearisome attendance in Parliament have been remarkable, and there is no doubt that many have taken full advantage of the opportunities."⁵⁰ Although critical of a scheme which did

49. Camp Commission First Report, supra note 4 at 65.

50. Ward, Norman, The Canadian House of Commons (Toronto, 1950) at 105.

not adequately penalize indifferent attendance but which actually paid for absence,⁵¹ Ward noted that the lax regulations did serve to offset the then existing indemnity and pension provisions which effectively confined parliamentary life to a few occupational groups in the population. Wider representation in the House of Commons was facilitated by the minimal attendance requirements; the number of groups in the community which could afford Parliamentary Membership would inevitably have been diminished if Members had been compelled to attend every sitting of the Legislature.⁵²

A serious disadvantage of having an ineffective penalty clause or of making no deduction whatsoever for absenteeism is the facilitation of the accumulation of power in the hands of the Executive. Absence for ordinary Members is made easy, but the guiding hand of the Executive is always present.

"The possibility that the Government may threaten to settle matters of particular interest to Members on those favoured days (Mondays and Fridays) cannot fail to help secure cooperation for the Executive's plans on the remaining days of the week.⁵³

Revision of the indemnity laws to the effect that a parliamentarian's pay would be regarded as

51. The House of Commons in 1906 provided that absent Members were not to be penalized for days on which the Legislature did not sit. Members were then in effect counted as present on days when the House stood adjourned. See Ward, supra note 50 at 103.

52. Ward, supra note 50 at 112.

53. Ward, supra note 50 at 112.

an annual salary for work performed rather than indemnification for time lost from a primary occupation would, Ward predicted, provide a conclusive argument for ensuring that no part of the salary would be paid unless it was earned.⁵⁴ The subject of his study, the House of Commons, does today make deductions for non-attendance. The penalty clause provisions observed by the House of Commons and five provincial legislatures are highlighted in Table 13.

Deductions are generally made from a Member's basic indemnity. The House of Commons and the Alberta Legislative Assembly also deduct from the expense allowance. The conditions attached to the penalty clause vary from legislature to legislature. Saskatchewan, Alberta and British Columbia make deductions not only for those days on which a Member is absent from the Legislature, but also for those on which a committee meeting is missed. Saskatchewan is unique in its provision that if a Member is absent on at least one-half of the total number of sitting days in any session, a sessional allowance of \$88.00 per day is paid for those days on which a legislator did attend. A Saskatchewan parliamentarian would otherwise receive a sessional allowance of \$5,896.00. New Brunswick is the only province which pro-rates

54. Ward, supra note 50 at 114.

TABLE 13

PENALTY CLAUSE PROVISIONS

	Amount of Deduction per day	Number of Days per Year Allowed Before Deduction is Made
Alberta	\$75 from the indemnity \$25 from the expense allowance	5
British Columbia	\$250 from the sessional allowance	10
New Brunswick	Amount of deduction is pro-rated	5
Saskatchewan	\$ 58 from the sessional allowance	5
Quebec	\$100 from the indemnity	10
House of Commons	\$ 60 from the indemnity \$ 60 from the expense	21

Provinces which do not have a penalty clause:

Manitoba
Newfoundland
Nova Scotia
Ontario
Prince Edward Island

- * The penalty clauses are described in full in
Appendix A.

As of July 1st, 1981

the amount of deduction in accordance with the total number of sitting days per year. Saskatchewan has indexed its deduction amount in the same manner as of other remunerative payments; the remaining legislatures adjust the amount on an ad hoc basis.

Members are allowed a number of days' absence before the penalty clause comes into effect, ranging from a low of five days to a high of twenty-one days in the House of Commons. Days on which a Member is absent because of illness or official government business are generally not counted in the Member's allowance of missed days. Saskatchewan also excuses days missed because of military duty, constituency business or uncontrollable circumstances.

Five provinces -- Manitoba, Newfoundland, Nova Scotia, Ontario and Prince Edward Island -- do not penalize their elected officials for absenteeism. The ease with which the indemnity can be earned in these provinces is incongruous with the concept of a "professional" or "full-time" parliamentarian.

G. THE SEVERANCE ALLOWANCE

Recommendations on pension provisions are not within the purview of the Ontario Commission on Election Contributions and Expenses. Members interviewed for this report were, however, invited to

comment on the Ontario practice that is unique in Canada of paying a severance allowance. Members are entitled to receive on retirement, defeat or resignation, an amount equal to one-quarter of the annual indemnity being paid to the Member immediately before leaving office. In the case of death of a Member, a severance allowance equal to one-quarter of the annual indemnity at the time of death is paid to the Member's personal representative. Quebec is the only other province which has made explicit provision for a Member's departure from office. Though Members do not receive an allowance per se, a type of severance remuneration is available in that the Assembly will assume responsibility for the lease of constituency premises and for offices in Quebec City to a maximum of three months, and for the salary of the constituency secretaries for up to fifteen days after Members leave the Assembly.

Nearly all of those interviewed acknowledge the necessity of a severance allowance and felt that the present provision for Ontario Members was inadequate.

"Yes, it was necessary. The \$3,000 I received was not enough. There is a period during which a Member and his family must make

the transition back to family life during which decisions must be made about what to do. Although all Members do not need this, others such as myself, do."

Two Members interviewed had been on a leave-of-absence from their employers during their term in office. Upon defeat they were able to return to the positions which had been guaranteed them. Unfortunately, very few businesses avail their public spirited employees of such security if they are elected to office. After defeat, most Members find employment difficult to obtain and economic security, hazardous. Accountants, lawyers and other professionals often struggle to regain their former positions in their firms and endure financial hardships while they are rebuilding their clientele. Others, such as teachers and proprietors who have given up their businesses, may have no immediate prospect of work if defeated. The transition period must be provided for.

The Commissioners appointed by the federal House of Commons to review salaries and allowances were highly critical of the failure to provide severance pay for Members of Parliament. Dr. McIsaac and The Hon. Leon Balcer wrote:

"Since being a Member of Parliament is a full-time occupation, most MP's must give up their private careers. Rare indeed is the case where an MP can return to his former occupation without difficulty. It is a stiff penalty to pay for service to one's country suddenly after a defeat to have to pick up the pieces of a former career or start afresh in the job market. This high risk factor deters many successful citizens from running for elected office... The disruption to one's personal life and the cost of re-establishment are severe and onerous."55

Several Members opposed the Ontario policy of paying the allowance to Members other than those who had been defeated.

"If defeated, it may be necessary because the Member may have no plans or job to return to. But if a Member resigns or retires, I see no need for it."

The federal Commissioners apparently agreed with these sentiments for their recommendation was that severance pay be granted under the following condition:

"Any Member who ceases to be a Member, or his estate, shall qualify for a severance payment unless a Member resigns or fails to seek renomination."56

Of those who felt the amount presently provided was inadequate, most were of the opinion that

55. Balcer-McIsaac Report, supra note 31 at 35.

56. Balcer-McIsaac Report, supra note 31 at 36.

the severance allowance should be related to a Member's length of service. A Member who is defeated after fifteen years in office may have a longer and more difficult period of readjustment than would a Member of two year's tenure. A suggested scheme was to pay a basic three months' salary (which is the present provision) with an additional one month's allowance for every two years of service to a maximum of either a half year's or a full year's income. The arrangement recommended for the House of Commons was that

"the severance payment shall be an amount equal to six months of the annual indemnity immediately prior to termination of service (and six months' salary for additional responsibilities as the case may be) for Members who have served for less than six years, or three months' indemnity (and three months' salary as the case may be) for Members with six or more years of service, exclusive of the expense allowance of \$7,500."⁵⁷

At that time, Members of Parliament who had served for less than six years were not entitled to a pension, but received a refund of pension contributions. They did not receive any form of severance pay.⁵⁸

One Member preferred that the severance

57. Balcer-McIsaac Report, supra note 31 at 33.

58. Since the time of writing, the House of Commons has enacted provisions for severance pay which are detailed in Appendix A.

allowance be related to a Member's length of service for another reason.

"I consider the severance allowance to be a more important provision than the pension. A Member's length of service should be reflected in his severance allowance, rather than the pension. This would make it easier for Members to quit the government and allow a higher turnover as they have in the United States. The present pension scheme acts to induce Members to make a career out of politics which is, in my opinion, unhealthy."

APPENDIX A

GOVERNMENT: CANADA -- THE HOUSE OF COMMONS

RELEVANT STATUTE(S) :

Parliamentary Secretaries Act R.S.C. 1970,
c.P-1 as amended.

Salaries Act R.S.C. 1970, c.S-2 as amended.

Senate and House of Commons Act R.S.C. 1970,
c.S-8 as amended.

PAY ADJUSTMENT MECHANISM(S) :

An indexation formula enacted in 1975 provided for automatic adjustments to salaries and allowances on January 1st of each year. Legislation enacted in 1981 revised the formula.

There also exists a Standing Committee on Management and Member Services which reviews on a regular basis other matters related to compensation and services.

INDEXATION FORMULA:

The indemnity, allowance and salaries are adjusted annually by multiplying them by one percent less than the lesser of:

- (a) the annual percentage increase in the industrial wage composite, or
- (b) the annual percentage increase in the CPI for Canada.

EXPENSE ALLOWANCE:

\$14,700 p.a. is intended to cover the cost of meals and accommodation when away from the normal place of residence, travel costs and other constituency and incidental expenses. Deductions for non-attendance of sittings are made from this allowance on the same basis as from the basic indemnity.

TAX STATUS:

Only the expense allowance is tax-free.

COMMITTEE PER DIEM:

Members of the House of Commons do not receive a special allowance for serving on committees, although travel funds can be made available if prior authorization is gained from the Speaker.

PENALTY CLAUSE:

For every day beyond twenty-one a Member does not attend when the House is sitting, \$60 is deducted from the basic indemnity and the expense allowance except in cases of illness or public or official business.

SEVERANCE ALLOWANCE:

A lump sum amount is paid which equals 50% of the basic indemnity prior to termination of service (and 50% of any salary or allowance for additional responsibilities as the case may be).

GOVERNMENT: PROVINCE OF ALBERTA

RELEVANT STATUTE(S) :

The Legislative Assembly Act R.S.A. 1970,
c.204 as amended.

PAY ADJUSTMENT MECHANISM(S) :

The salaries, indemnity and allowance amounts are indexed. A Select Committee's recommendations as to the remunerative payments were enacted as legislation in 1979.

INDEXATION FORMULA:

Where the average of the All-items Consumer Price Index for Edmonton and Calgary either increases or decreases by more than 5% during the year, the salaries, indemnity and expenses are adjusted up or down respectively by 5% in the following year. Where the annual percentage change is less than 5%, it is carried over to every following year until the cumulative total reaches at least 5% whereupon the appropriate adjustment is made.

EXPENSE ALLOWANCE:

This is intended to pay for expenses incident to the discharge of a member's duties.

TAX STATUS:

The basic indemnity, salaries and committee allowances are subject to taxation. Other payments such as the expense allowance are tax free.

COMMITTEE PER DIEM:

While the Assembly is not sitting or has adjourned for more than five days, members serving on committees appointed by the Assembly receive a daily allowance of \$75.

PENALTY CLAUSE:

For each day in excess of five sitting days during a session on which the member did not attend a sitting or meeting of a committee, except when the cause of the absence was illness or attendance as a government member or a member of an opposition party at a meeting or event as a representative of the Legislative Assembly, the Speaker, the Crown or the Commonwealth Parliamentary Association, deductions of \$75 per day from the indemnity and \$25 per day from the expense allowance are made.

SEVERANCE ALLOWANCE:

None is provided for.

GOVERNMENT: PROVINCE OF BRITISH COLUMBIA

RELEVANT STATUTE(S):

Constitution Act R.S.B.C. 1960, c.71 as amended.

PAY ADJUSTMENT MECHANISM(S):

Effective January 1st, 1980 an "adjustment factor" is applied to the basic indemnity and expense allowance.

INDEXATION FORMULA:

The "adjustment factor" by which the indemnity, salaries and allowance are multiplied is 75% of the percentage rate by which the average weekly wage in British Columbia increased or decreased during the previous year.

EXPENSE ALLOWANCE:

This is expected to cover expenses incidental to the discharge of a member's duties.

TAX STATUS:

The basic indemnity, salaries and committee work allowances are taxable. Other monies and services such as the expense allowance are tax free.

COMMITTEE PER DIEM:

When a Select, Standing or Special Committee meets between sessions or during the recess of a session, an allowance, designated by the Lieutenant-Governor in Council may be paid for each day's attendance. In addition, members receive reimbursement of reasonable out-of-pocket, travel and other expenses.

PENALTY CLAUSE:

A deduction of \$250 per day is made from the basic indemnity for every day beyond ten in which a member does not attend a sitting of the House or a committee of the House, except in instances of sickness or official Government business.

SEVERANCE ALLOWANCE:

None is provided for.

GOVERNMENT: PROVINCE OF MANITOBA

RELEVANT STATUTE(S) :

The Legislative Assembly Act R.S.M. 1970,
c.L-110 as amended.
The Executive Council Act R.S.M. 1970,
c. E-170 as amended.

PAY ADJUSTMENT MECHANISM(S) :

The basic indemnity and allowance are indexed. Salaries provided for specific positions are reviewed on an "as and when required basis". The most recent review was undertaken by the Hall Commission in 1980 which was appointed by an Order-in-Council of the Legislative Assembly. Its recommendations were subsequently adopted by the House.

INDEXATION FORMULA:

The basic indemnity is adjusted annually by the product of the percentage increase in the Consumer Price Index for Canada and the average yearly composite industrial wage for Manitoba. The expense allowance which is set at an amount equal to one-half the basic indemnity is adjusted accordingly.

EXPENSE ALLOWANCE:

An allowance equal to one-half of the basic indemnity is paid to cover expenses that arise during each session in relation to the performance of duties as a member of the Legislative Assembly.

TAX STATUS:

Only the expense allowance is tax free.

COMMITTEE PER DIEM:

Members of Standing or Select Committees excluding those who are members of the Executive Council and the Leader of the Opposition, receive an indemnity of \$50.00 for each day on which they attend a meeting of the committee while the House is not sitting. In addition, all out-of-pocket expenses are reimbursed.

PENALTY CLAUSE:

None exists.

SEVERANCE ALLOWANCE:

None is provided for.

GOVERNMENT: PROVINCE OF NEW BRUNSWICK

RELEVANT STATUTE(S) :

The Legislative Assembly Act, R.S.N.B. 1973,
c.L-3 as amended.
Executive Council Act, R.S.N.B. 1973, c.E-12
as amended.

PAY ADJUSTMENT MECHANISM(S) :

The sessional indemnity salaries for special positions and expense allowance are adjusted annually in accordance with an indexation formula. Adjustments to other forms of remuneration are made by amendment to the appropriate act on an ad hoc basis.

INDEXATION FORMULA:

The basis indemnity and expense allowance are adjusted annually by multiplying them by the percentage change in the average weekly wages and salaries of the industrial composite in Canada.

EXPENSE ALLOWANCE:

An amount equal to 40% of the sessional indemnity is paid annually for expenses incidental to the discharge of a member's duties.

TAX STATUS:

The sessional indemnity and salaries are taxable. Other payments are tax free.

COMMITTEE PER DIEM:

In the interval between sessions or when a session has been adjourned for longer than one month, the Chairman and members on Standing and Select Committees, who are not Ministers, receive an allowance of \$200 per day respectively when attending committee meetings or when away from home on committee-related matters. Actual travel expenses are reimbursed in addition.

PENALTY CLAUSE:

A pro-rated deduction is made for each day in excess of five on which a member without leave does not attend a sitting of the Assembly.

SEVERANCE ALLOWANCE:

None is provided for.

GOVERNMENT: PROVINCE OF NEWFOUNDLAND

RELEVANT STATUTE(S):

Compensation issues are dealt with through Orders-in-Council.

PAY ADJUSTMENT MECHANISM(S):

The sessional indemnity and allowance are adjusted in accordance with increases awarded employees under the General Service Collective Agreement. Salaries for specific positions are adjusted by an Order-in-Council usually once a year.

INDEXATION FORMULA:

The indemnity and allowance are linked to annual compensation awards under the General Service Collective Agreement.

EXPENSE ALLOWANCE:

A sessional allowance is provided to cover transportation expenses within a member's district and for travel to and from the capitol. The amount of the allowance is based on the location of the electoral district represented.

TAX STATUS:

The amount of the expense allowance which is not greater than one-half of the sessional indemnity is tax free.

COMMITTEE PER DIEM:

No committee work allowances are provided for.

PENALTY CLAUSE:

None exists.

SEVERANCE ALLOWANCE:

None is provided for.

GOVERNMENT: PROVINCE OF NOVA SCOTIA

RELEVANT STATUTE(S):

House of Assembly Act R.S.N.S. 1967, c.128
as amended.

PAY ADJUSTMENT MECHANISM(S):

The sessional indemnity was and will be incremented annually from January 1980 until 1982 by \$800. Likewise the expense allowance is increased by \$400 each year. Salaries awarded for specific provisions are reviewed at four year intervals. The most recent review was that of the McKay Commission 1979 whose recommendations were adopted by the House.

INDEXATION FORMULA:

None is provided for.

EXPENSE ALLOWANCE:

An amount equal to one-half the basic indemnity is to cover the cost of incidental occupationally related expenses.

TAX STATUS:

The expense allowance is tax free.

COMMITTEE PER DIEM:

The Chairman and members of the committees of the House are granted an allowance for committee work which varies by the type of committee. A member's allowance ranges from \$1,200 to \$2,500 while that of a Chairman ranges from \$1,200 to \$5,500. A member who sits on more than one committee is not entitled to payments with respect to more than one committee. In addition, committee members are paid \$75 per day plus travelling and living expenses for attendance at meetings when the House is not sitting.

PENALTY CLAUSE:

None exists.

SEVERANCE ALLOWANCE:

None is provided for.

GOVERNMENT: PROVINCE OF ONTARIO

RELEVANT STATUTE(S):

The Legislative Assembly Act R.S.O. 1970,
c.240 as amended.
The Executive Council Act R.S.O. 1970,
c.153 as amended.

PAY ADJUSTMENT MECHANISM(S):

The Commission on Election Contributions and Expenses annually reviews and recommends in respect of the indemnities and allowances. These recommendations are presented to the Speaker, who in turn lays it before the Assembly for approval.

INDEXATION FORMULA:

None is provided for.

EXPENSE ALLOWANCE:

All members receive \$10,000 per annum which covers incidental expenses attendant to the duties and responsibilities of the Assembly.

TAX STATUS:

The sessional indemnities, salaries and compensation for committee work are subject to taxation whilst all other payments are tax free.

COMMITTEE PER DIEM:

Members of a committee of the Assembly receive an allowance of \$60 per day and reimbursement of actual transportation and living expenses for every day of attendance at or travel to and from committee meetings when the Assembly is sitting, and when absent from the seat of government or from home whether or not the Assembly is sitting. The Chairman of each Standing Committee receives an additional indemnity of \$3,900 per annum and a daily expense allowance of \$70.

PENALTY CLAUSE:

None exists.

SEVERANCE ALLOWANCE:

An amount equal to one-half of the annual indemnity at the rate in force at the time of occurrence is paid in the following situations:

- (a) where a person who is a member immediately before a dissolution of the Assembly and does not become a member of the next following Assembly,
- (b) where a member resigns his/her seat, and
- (c) where a member dies.

GOVERNMENT: PROVINCE OF PRINCE EDWARD ISLAND

RELEVANT STATUTE(S):

The Legislative Assembly Act R.S.P.E.I. 1974,
Cap. L-11 as amended

PAY ADJUSTMENT MECHANISM(S):

The annual indemnity and expense allowance are subject to an indexing formula and varied each year. They are also subject to a mandatory review by an independent commission appointed within two months after the day fixed for return of writs for each general election. Salaries for the Premier and Ministers are established by order of the Lieutenant-Governor in Council.

INDEXATION FORMULA:

The annual indemnity and expense allowance are multiplied each year by the lesser of the percentage change in the Industrial Composite in the preceding year or 107%.

EXPENSE ALLOWANCE:

An amount equal to one-half the basic indemnity is intended to cover expenses incidental to the discharge of a member's duties.

TAX STATUS:

All allowances and indemnities are tax-free with the exception of salaries.

COMMITTEE PER DIEM:

None is provided for.

PENALTY CLAUSE:

None exists.

SEVERANCE ALLOWANCE:

None is provided for.

GOVERNMENT: PROVINCE OF QUEBEC

RELEVANT STATUTE(S) :

The Legislature Act, R.S.1964, c.6. as amended.
Executive Power Act, R.S.1964, c.9 as amended.

PAY ADJUSTMENT MECHANISM(S) :

The basic indemnity is adjusted annually in accordance with an indexation formula. As of 1975, salaries have been fixed percentages of the annual indemnity and are usually revised automatically effective January 1st of every year, as determined by the legislation. However, revisions have not occurred since 1978. A committee is constituted to advise on establishing by regulation the scales, terms and conditions of certain other payments, one of which is the committee allowance.

INDEXATION FORMULA:

The annual indemnity is multiplied by the percentage change in the arithmetic mean of weekly salaries and wages of the Industrial Composite of Canada. Where the resulting figure is not a multiple of \$100.00, the amount of the annual indemnity is increased to the nearest multiple of \$100.00. The annual indemnity cannot be less than that for the preceding year nor can it exceed it by more than 6%.

EXPENSE ALLOWANCE:

An amount (\$7,500 p.a.) is granted to cover the costs of entertainment.

TAX STATUS:

The annual indemnity, salary and committee work allowance are subject to taxation. The expense allowance is tax free.

COMMITTEE PER DIEM:

Members of Select Committees receive an "attendance allowance" of \$50.00 per day for each day the committee sits in any week, providing the Assembly does not sit in the same week. The Chairman of a Select Committee receives a salary of \$4,170 p.a.

PENALTY CLAUSE:

Except in cases of illness or official duties, deductions of \$100.00 from the indemnity are made for each day beyond 10 per year on which the Assembly sits but a member does not attend.

SEVERANCE ALLOWANCE:

A type of severance remuneration is available in that the Assembly will assume responsibility for the leave of constituency premises and for offices in Quebec City to a maximum of three months, and for the salary of the constituency secretary(ies) for up to fifteen months, when Members leave the Assembly.

GOVERNMENT: PROVINCE OF SASKATCHEWAN

RELEVANT STATUTE(S) :

The Legislative Assembly and Executive Council
Act S.S. 1979, c.L-11.1

PAY ADJUSTMENT MECHANISM(S) :

The basic indemnity and expense, committee and sessional allowances are adjusted annually in accordance with an indexation formula. The base amounts for remunerative payments were established in 1979.

INDEXATION FORMULA:

All remunerative payments are adjusted annually in accordance with the change in the Industrial Composite for the preceding year.

EXPENSE ALLOWANCE:

An amount of \$9,729 p.a. is paid to each member. (Those who represent a northern constituency receive an additional allowance at the rate of the amount of \$330 p.a.) In addition, members receive a sessional allowance paid on a per session rather than a per annum basis in the amount of \$5,896. For expenses incidental to the discharge of a member's duties, a per diem expense allowance is paid in the adjusted amount of \$35 per day for members representing a Regina constituency and \$55 per day for members representing constituencies outside the City of Regina.

TAX STATUS:

The indemnity and sessional allowance are taxable. An amount of the expense allowance equal to one-half the indemnity is tax-free; any excess is taxable. The committee allowance is taxable.

COMMITTEE PER DIEM:

When the Legislature is not in session or is adjourned for more than thirty days, a member is paid, over and above travel and living expenses, an amount of \$76 per day when he attends a meeting of the committee, is engaged in the work of the committee or is travelling to or from meeting or on the business of the committee.

PENALTY CLAUSE:

A deduction from the sessional allowance in the amount of \$58 per day is made for each day in excess of five on which a member does not attend a sitting of the Assembly or a meeting of a committee of the Assembly held during the session. If a member is absent on at least one-half of the total number of sitting days in any session, he or she is paid a sessional allowance in the amount of \$88 per day for those days on which he or she did attend. No deduction is made when the member is absent on government business or military duty or on account of illness, constituency business, uncontrollable circumstances or because of Cabinet duties.

SEVERANCE ALLOWANCE:

Where a member dies during a session of the Legislature, or dies while the Legislature is not in session but an election to fill the vacancy is not held before the following session, the Lieutenant-Governor in Council may determine a sum, not exceeding the sessional allowance, to be paid to the member's spouse or to any other person designated by the Lieutenant-Governor in Council.

APPENDIX B

APPENDIX B

STATUTES RELATING TO THE RESPONSIBILITY OF
THE ONTARIO COMMISSION ON ELECTION CONTRIBUTIONS & EXPENSES
TO MAKE RECOMMENDATIONS IN RESPECT OF THE INDEMNITIES
AND ALLOWANCES OF MEMBERS OF THE ASSEMBLY

Establishment of the Commission:

The Election Finances Reform Act, S.O. 1975, c.12 as amended

2. (1) A Commission is hereby established to be known as the Commission on Election Contributions and Expenses and composed of,
 - (a) two persons as nominees of each political party that is represented in the Assembly by four or more members of the Assembly and that nominated candidates in at least 50 per cent of the electoral districts in the most recent general election appointed, on the recommendation of the leader of the party, by the Lieutenant-Governor in Council for a term of not more than five years;
 - (b) a bencher of the Law Society of Upper Canada appointed by the Lieutenant-Governor in Council for a term of not more than five years to hold office only while he remains a bencher;
 - (c) the Chief Election Officer; and
 - (d) the chairman of the Commission who shall be appointed by the Lieutenant-Governor in Council for a term of not more than ten years.
- (2) The members of the Commission shall elect one of the members appointed under clause a of subsection 1 as vice-chairman to serve as such for not more than two years.
- (3) In the absence of the chairman, the vice-chairman may act as chairman.
- (4) The Commission shall meet on the call of the chairman or of five or more members.
- (5) Five or more members of the Commission and the chairman or vice-chairman constitute a quorum.
- (6) Members of the Commission shall not, during their term of office, be members of the Assembly or candidates at an election or hold office in any political party or constituency association or make contributions to any political party or constituency association.

- (7) Any member of the Commission may be reappointed for one additional term.
- (8) The chairman of the Commission shall be paid such salary and the other members except the Chief Election Officer shall be paid such per diem allowances as may be determined by the Lieutenant-Governor in Council. 1975, c.12, s.2.

Assignment of Responsibility for Indemnities and Allowances:

The Legislative Assembly Act R.S.O. 1970, c.240 as amended

- 70a (1) In this section, "Commission" means the Commission on Election Contributions and Expenses established under The Election Finances Reform Act, 1975.
- (2) The Commission each year shall review and make such recommendations as it considers proper in respect of the indemnities and allowances of members of the Assembly under this Act.
- (3) The Commission shall report its recommendations to the Speaker and the Speaker shall cause the report to be laid before the Assembly if it is in session or, if not, at the next ensuing session.

Review of Salaries and Allowances of Members of the Executive Council:

On September 4th, 1975, the Premier wrote the Chairman of the Commission as follows:

"I understand that a difficulty has arisen in respect of the extent of the Commission's responsibilities for reviewing salaries and allowances of members of the Legislature.

When The Legislative Assembly Act was amended in December 1978, it was the intention of the Government that the Commission's mandate would include responsibility for reviewing the salaries and allowances of members of the Executive Council as well.

Unfortunately this was not clearly expressed in the amendment. Section 70(a)(2) provided that:

"The Commission each year shall review and make such recommendations as it considers proper in respect of indemnities and allowances of members of the Assembly under this Act."

The present difficulty seems to arise with the words "...members of the Assembly under this Act". This wording was not introduced to exclude from the Commission's review members of the Executive Council, whose salaries and accommodation allowances fall under The Executive Council Act.

Although the wording of the amendment does not expressly confer such responsibility on the Commission, the Government believes it should properly be part of your mandate, I am, therefore, asking the Commission to assume responsibility for reviewing the salaries and accommodation allowances for members of the Executive Council. The Government would welcome such recommendations and receive them in the same spirit as the Commission's recommendations for members who come under The Legislative Assembly Act.

The Government hopes that you will accept this responsibility and that no further obstacle will stand in the way of the Commission making a complete annual review of salaries and allowances."

APPENDIX C

APPENDIX C

QUESTIONS ASKED OF INTERVIEW PARTICIPANTS

- 1.) What role did compensation play in your own decision to enter politics? Was it a consideration? Was it a deterrent?

Comments:

- 2.) Rate the importance of each of a number of possible motivations which might have influenced your decision to run for office:

Public Service

Challenging interesting work

Recognition

Opportunity to do something different

Long term career development

Compensation

Comments:

- 3.) Did you take a substantial drop in salary upon entry into politics?

Comments:

- 4.) While you were an MPP did you continue with another occupation?
Was it needed to supplement your income?

Comments:

- 5.) Did you believe your indemnity was adequate? Did you think your tax-free allowance was adequate?

Comments:

- 6.) On balance, to what extent was your annual income a factor in the decision to leave the provincial government?
- To a large extent
 - To some extent
 - To no extent

Comments:

- 7.) In your own words, what would you say are the reasons you left provincial politics?

Possible answers:

- Inadequate compensation or had an attractive offer
- Never intended to stay
- Had enough
- Poor health
- Lost election
- Other:

Comments:

- 8.) Did you return to your previous occupation when you left office? What, if any, difficulties did you encounter when you resumed your previous work?

Comments:

- 9.) How was your income affected? Did it increase? Decrease? Remain the same?

Comments:

- 10.) Did you consider the severance allowance necessary? Adequate?

Comments:

- 11.) As it is impossible to properly evaluate the appropriateness of the present remuneration paid to Members of the Assembly without a good understanding of the work done and expected to be done by them, would you relate the demands made upon you during your time as an MPP?

Comments:

- 12.) On average, how many hours per week did you spend:
- on parliamentary work?
 - outside the House on parliamentary or 'government' business?
 - in the House?

Comments:

- 13.) It has been suggested that some allowance be made for an MPP's length of service - that a Member of 20 years should be paid some premium over the salary paid to a newcomer. Is this justifiable?

Comments:

- 14.) Changes in the workload or responsibility demanded of an MPP over time will necessitate certain changes in the salary levels recommended. In your opinion has the role of an MPP evolved over time and, if so, how?

Comments:

- 15.) Do you think it is appropriate to compare the salary paid to an MPP to that paid to an employee in private industry? In the public sector? If so, what position(s) would you say are comparable?

Comments:

- 16.) Is there a danger, if there is no linkage to salaries in the private industry that qualified individuals will not be attracted and maintained and that the present calibre of individuals seeking public office will be lowered?

Comments:

- 17.) Conversely, do you think there is a danger of setting salary levels too high - so high that people are attracted to politics because of the financial rewards?

Comments:

- 18.) When regard is had to 'total compensation', some consideration must be had of the non-monetary elements which go to make up remuneration. In the case of a legislator, the 'psychic income' includes the knowledge that one is doing (and perhaps doing well) an important job for one's province, the sense of importance which attaches to the job and a possibility of career enhancement after the political exposure. Do the existence of these non-financial rewards merit a salary level which may be lower than for a comparable position in private industry or are they offset by the negative factors such as the career advancement foregone in the private sector, and the risk not only of the loss of a job but of undeserved public invective?

Comments:

- 19.) How do you think the principle of linkage - that is of tying the salary level to a comparable position in private industry - should be employed?
- as a fixed relationship
 - general guide
 - no consideration

Comments:

- 20.) Do you think there should be a formula for annually increasing an MPP's salary and allowance? Saskatchewan and New Brunswick, for instance, increase their Members' indemnities and allowances according to the annual increase in the industrial composite?

Comments:

- 21.) One criticism of such a proposal to index the indemnities to a cost of living index is that it contributes to inflationary pressures by raising automatically annual incomes and thus provides a kind of inflation insurance for our elected officials while the rest of the province suffers the ravages of inflation - a disease which many blame rightly or wrongly on excessive government spending. Do you think this is a valid criticism and if not, how would you counter it?

Comments:

- 22.) The tax-free expense allowance was originally intended to meet costs associated with meetings, conferences, conventions, donations, entertainment of constituents and reference materials. Today, however, Members are provided with funds to meet many of these expenditures. If a thorough accounting were completed, do you think Members of the Legislature would have much, if anything, of their expense allowance left over for personal expenses? If yes, do you regard the expense allowance as a means of increasing a Member's salary by an amount which would not be subject to tax and accordingly must be considered as an integral part of an MPP's remuneration?

Comments:

- 23.) Would you like to see an end to the tax-free allowance, or a gradual decrease in the amount?

Comments:

24.) Turning now to the tax-free per diem which MPP's are paid for committee work during the summer and winter recess. If an MPP's job is full-time, as the Camp Commission concluded, how can you justify paying an MPP a per diem for working on a committee, a responsibility which would be within the ambit of his duties as MPP?

Comments:

25.) If the per diem were eliminated, would Select Committee attendance decline?

Comments:

26.) Is there any other way in which MPP's could be induced to leave their ridings to serve on Select Committees or Standing Committees that sit during the summer or winter recess?

Comments:

27.) Do you think the per diem allowance should be taxable? Do you think it should be increased? (It is presently \$52.00)

Comments:

28.) Do you think a Member should have to account for the way in which he spends his expense allowance of \$27.00 a day?

Comments:

29.) When you claimed this allowance, did you claim the entire amount or only the amount you spent? Why?

Comments:

30.) If a Member had to keep all relevant receipts, would this be a large or small burden?

Comments:

31.) Do you believe that at present the compensation for the appointed positions (Cabinet Minister, Speaker, Parliamentary Assistant and so on) is commensurate with the additional responsibilities associated with them and if not, then in what ways do you suggest that the salary structure be changed?

Comments:

APPENDIX D

APPENDIX D

EQUATING THE MP'S JOB TO PROFESSIONAL/
ADMINISTRATIVE/MANAGERIAL OCCUPATIONS*

The determinants found in a large number of senior level jobs in Canadian industry and in corresponding levels of the Public Service of Canada are similar to those found in an MP's job. Given his unique responsibilities as a legislator, the Member meets and often must surpass job prerequisites required in executive occupations.

These factors used in classification processes to determine the salary level of jobs, are:

The Persuasiveness Factor

An MP is called upon to convince individuals or groups of individuals as to policies, practices and procedures emanating from government or interpretation of law, and the direction of future projects. Such skills are also applied in the debates in the Chamber and Committees, in caucus with fellow MP's, in meetings with executives in government departments and in industry. This factor is given a high rating for an MP given that he must match skills with executive-level officials. Moreover, the MP must be persuasive with his constituents on the stand he takes on numerous political, economic and social issues. His job depends on it. The variety of enterprises and pressure groups which an MP must establish relations with and be persuasive is very broad. In the process, the MP increases his depth of knowledge through such contacts and through the study and reading of countless briefs and submissions of all kinds.

The Level of Contact Factor

There is probably no other occupation in Canada requiring its incumbents to so regularly meet

*Source: Report of the Commission to Review Salaries
of Members of Parliament and Senators
(Ottawa, 1980) at 12.

so many types of individuals as that of an MP. He must meet with fishermen, farmers, factory workers, office employees, professionals such as lawyers, engineers, administrators and those in the medical profession, industry and Public Service executives, chief executive officers, other lobbyists, members of the media. The MP must be in position to relate with many of these individuals and to adjust to the various strata of subject matters under review or discussion. To formulate a plan of action with a fisherman's group one day, to meet industry executives the next on a plant improvement or financial aid matter, and to later meet with Deputy Ministers or ADM's, requires different modes of approach and preparation for meetings. The MP has to have the skills to adjust and to prepare himself accordingly for these widely varied tasks.

The Knowledge Factor

The MP must possess professional/technical and administrative knowledge in undertaking his responsibilities. He must be knowledgeable of a wide variety of legislation and its application. He must be informed about the many national issues of the day ranging from the state of the economy to the pros and cons of nuclear power. He must be knowledgeable about government programs and how they affect his constituents whether they be pensioners or the unemployed. To assist constituents he applies a myriad of social work practices and procedures in directing individuals with problems to the appropriate body in an attempt to resolve issues. In meeting with representative groups, he must be in a position to assess the contents of briefs and presentations made, briefs which often include much technical data, statistical presentations and overall general professional approach to issues, which usually have been prepared by experts in their fields in the first instance.

The Managerial Factor

An MP's responsibilities include the

determination/overseeing of projects requiring work to be done in government departments, and overseeing local undertaking of these projects. To the extent that MP's must see through the embryonic development of projects to their successful completion, he must possess supervisory/managerial skills similar to those found in administrative/professional occupations. Projects range from the development and implementation of Canada Works projects in the riding to airport and harbour development and urban renewal. MP's must also manage their staff in Ottawa and the constituency.

The Stress Factor

One of the prevalent factors in an MP's job involves the stress factor associated with the duties undertaken. Administrators and professional managers, including those in the executive echelons, invariably experience stress to varying degrees and at different times in their work life. Like the professional or the manager, in all sectors of our economy, the MP faces a certain degree of job insecurity, the MP even more so when an election has been called, in itself enough of an occurrence to precipitate stressful situations. Stress, however, is part of the normal undertaking of duties for an MP, setting aside the job insecurity factor. He must meet and relate well with well-prepared officials representing high-powered interests or lobby groups. He often must exercise the skills associated with keeping control of meetings which he chairs. Further, the MP must often direct and/or persuade officials in following a certain course in attempts to resolve issues, most of which encompass stress. Frequent separations from family can and indeed do create its own stress to a significantly higher degree relative to salaried managers and professionals in the Canadian economy.

Stress associated with frequent locale displacement is part of an MP's life. For most MP's, it

must be recognized that they fly in and out of their place of work (the nation's capital) much more frequently than the average salaried official in the professional/managerial ranks. In Canadian industry, to be sure many officials are required to fly frequently. Those, however, tend to be those in the higher salaried echelons and hence the rationale, as far as the stress factor is concerned, in equating MP's with reasonably senior officials in the professional and managerial ranks.

THE JOB SELECTION PROCESS

While the Commission advances the axiom that the duties and responsibilities of an MP call for job evaluation factors similar to those required in professional/managerial jobs in the Canadian economy -- and hence that their pay ought not to be dissimilar -- how do we deal with the appropriate question: Does an MP actually meet and possess those job qualification factors? Put in other words, while professionals/managers in the economy are chosen through a selection process and would possess the necessary skills to do the job they are being promoted/appointed to, do MP's proceed through an equivalent process ensuring that they indeed possess similar job evaluation qualifying factors? The Commission believes the answer is

an emphatic "yes".

First, there is the riding nominations process. The successful candidate is known in his constituency and to be known in the first instance he would likely be a community leader, an individual engaged in social issues or area development. To be recognized as such implicitly means the possession of factors enabling him to be a leading member of the community, of being involved, of being persuasive, of acumen in handling meetings, in influencing social projects and development.

Second, an MP must fight elections should he receive the nomination. The wide variety of meetings held, meeting pressure groups, supporting and strongly defending policies, administering his part of the campaign, managing his time and resources, being subjected to stress, having to possess persuasive skills, being able to think quickly on his feet, being knowledgeable on issues and having the acumen to best deliver the party platform, all of these are factors that a candidate must possess if he stands a serious chance of being elected.

Third, MP's are by and large men and women who have worked hard and successfully in other capacities prior to seeking elected federal office. They have

worked hard to achieve their particular position which has caused them to become recognized in their field while often possessing qualities of leadership, of getting along with people, of being able to channel social development.

Many MP's become ministers or opposition critics. Having the responsibilities and skills associated with professionals and managers is definitely a requirement of the job of an MP.

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